

Semi-Annual Report for

# AmASEAN Equity

31 December 2023



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
Ng Chih Kaye  
Jas Bir Kaur A/P Lol Singh  
Arnold Lim Boon Lay  
Goh Wee Peng

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Investment Manager**

AmIslamic Funds Management Sdn Bhd

### **Shariah Adviser**

Amanie Advisors Sdn Bhd

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmASEAN Equity ("Fund") for the financial period from 1 July 2023 to 31 December 2023.

### Salient Information of the Fund

<b>Name</b>	AmASEAN Equity ("Fund")
<b>Category/ Type</b>	Equity (Islamic) / Growth
<b>Objective</b>	<p>The Fund seeks to provide capital growth over the medium to long term by investing in Shariah-compliant equities and Shariah-compliant equity-related securities with exposure to the ASEAN markets.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	<p>The Fund was established on 6 June 2011 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.</p>
<b>Performance Benchmark</b>	<p>S&amp;P ASEAN BMI Shariah Index ("S&amp;P ASEAN") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The benchmark does not imply that the risk profile of the Fund is the same as the risk profile of the benchmark. Investors of the Fund will assume a higher risk compared to the benchmark. Hence, the returns of the Fund may be potentially higher due to the higher risk faced by the investors.</i></p> <p><i>The S&amp;P ASEAN BMI Shariah Index is a product of S&amp;P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by AmFunds Management Berhad. S&amp;P® is a registered trademark of S&amp;P Global ("S&amp;P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); AmASEAN Equity are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&amp;P, any of their respective affiliates (collectively, "S&amp;P Dow Jones Indices"). S&amp;P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the AmASEAN Equity or any member of the public regarding the advisability of investing in securities generally or in AmASEAN Equity particularly or the ability of the S&amp;P ASEAN BMI Shariah Index to track general market performance. S&amp;P Dow Jones Indices' only relationship to AmFunds Management Berhad with respect to the S&amp;P ASEAN BMI Shariah Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&amp;P Dow Jones Indices and/or its licensors. The S&amp;P ASEAN BMI Shariah Index is determined, composed and calculated by S&amp;P Dow Jones Indices without regard to AmFunds Management Berhad or the AmASEAN Equity. S&amp;P Dow Jones Indices have no obligation to take the needs of AmFunds Management Berhad or the owners of AmASEAN Equity into consideration in determining, composing or calculating the S&amp;P ASEAN BMI Shariah Index. S&amp;P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of AmASEAN Equity or the timing of the issuance or sale of AmASEAN Equity or in the determination or calculation of the equation by which AmASEAN Equity is to be converted into cash, surrendered or redeemed, as the case may be. S&amp;P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of AmASEAN Equity.</i></p>

*There is no assurance that investment products based on the S&P ASEAN BMI Shariah Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.*

*S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE (INCLUDING, WITHOUT LIMITATION, COMPLIANCE WITH SHARIAH LAW) OR AS TO RESULTS TO BE OBTAINED BY AMFUNDS MANAGEMENT BERHAD, OWNERS OF THE AMASEAN EQUITY, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND AMFUNDS MANAGEMENT BERHAD, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.*

**Income Distribution Policy**

Income distribution (if any) is incidental and will be reinvested.

**Fund Performance Data**

**Portfolio Composition**

Details of portfolio composition of the Fund as at 31 December 2023 and for the past three financial years are as follows:

	As at 31.12.2023 %	As at 30 June		
		2023 %	2022 %	2021 %
Consumer discretionary	6.42	6.40	8.37	10.23
Consumer staples	5.57	8.43	2.49	3.95
Energy	2.39	-	4.09	6.66
Financials	2.12	2.16	-	2.25
Health care	3.92	9.99	5.17	8.90
Industrials	7.32	12.65	19.15	14.95
Information technology	12.70	15.92	14.11	23.30
Materials	9.49	9.07	4.37	-
Real estate/REITs	7.20	6.92	5.31	-
Telecommunication services	6.18	15.99	18.85	13.58
Utilities	1.11	-	-	1.97
Money market deposits and cash equivalents	35.58	12.47	18.09	14.21
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Note: The abovementioned percentages are calculated based on total net asset value.

**Performance Details**

Performance details of the Fund for the financial period ended 31 December 2023 and three financial years ended 30 June are as follows:

	FPE 31.12.2023	FYE 2023	FYE 2022	FYE 2021
Net asset value (RM)	901,022	672,085	750,258	986,021*
Units in circulation	2,111,652	1,460,314	1,592,344	1,864,996*
Net asset value per unit (RM)	0.4267	0.4602	0.4712	0.5287*
Highest net asset value per unit (RM)	0.4690	0.5001	0.5746	0.5922*
Lowest net asset value per unit (RM)	0.4197	0.4582	0.4691	0.5089*
Benchmark performance (%)	-0.62	-3.40	-4.90	6.91
Total return (%) <sup>(1)</sup>	-7.24	-2.33	-10.88	8.08
- Capital growth (%)	-7.24	-2.33	-10.88	6.07
- Income distribution (%)	-	-	-	2.01
Gross distribution (sen per unit)	-	-	-	1.00
Net distribution (sen per unit)	-	-	-	1.00
Total expense ratio (%) <sup>(2)</sup>	4.69	7.37	6.82	4.84
Portfolio turnover ratio (times) <sup>(3)</sup>	0.93	0.51	0.45	1.55

\* Above prices and net asset value per unit are shown as ex-distribution.

Note:

- (1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.
- (3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

**Average Total Return (as at 31 December 2023)**

	AmASEAN Equity <sup>(a)</sup> %	S&P ASEAN <sup>(b)</sup> %
One year	-9.73	-2.89
Three years	-8.72	-3.76
Five years	-1.11	-1.51
Ten years	0.67	-0.16

### Annual Total Return

Financial Years Ended (30 June)	AmASEAN Equity <sup>(a)</sup> %	S&P ASEAN <sup>(b)</sup> %
2023	-2.33	-3.40
2022	-10.88	-4.90
2021	8.08	6.91
2020	1.36	-13.25
2019	6.68	9.34

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) S&P ASEAN BMI Shariah Index ("S&P ASEAN")  
(Available at [www.aminvest.com](http://www.aminvest.com))

The Fund performance is calculated based on net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

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

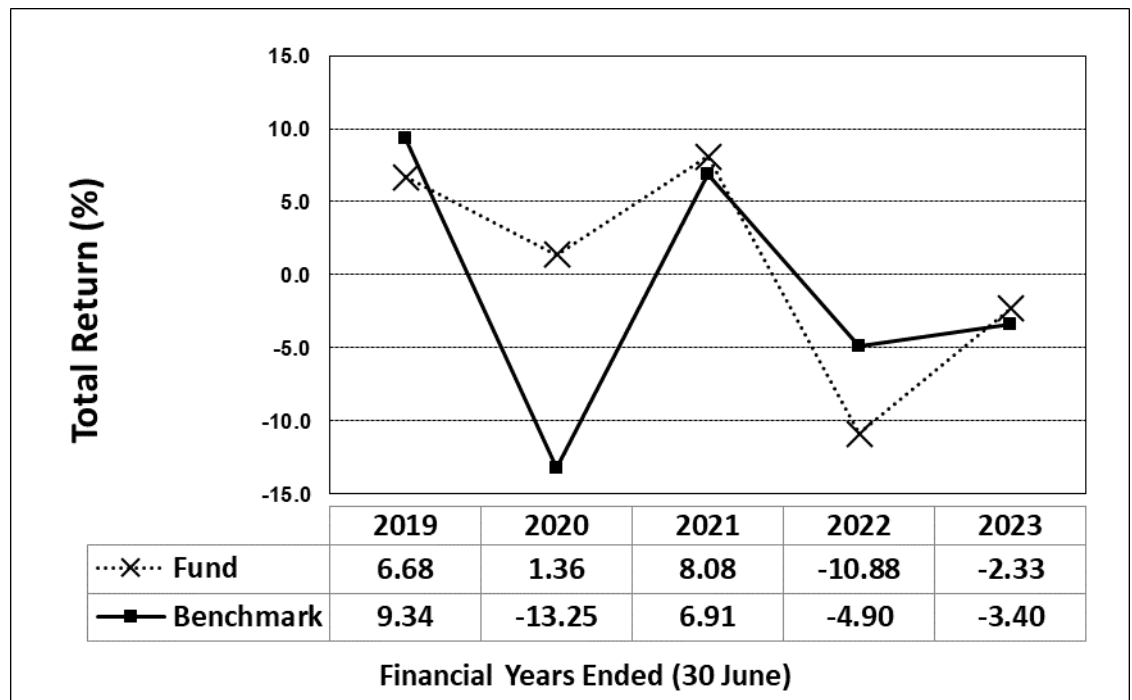
### Fund Performance

For the financial period under review, the Fund registered a negative return of 7.24% which is entirely capital in nature.

Thus, the Fund's negative return of 7.24% has underperformed the benchmark's negative return of 0.62% by 6.62%.

As compared with the financial year ended 30 June 2023, the net asset value ("NAV") per unit of the Fund decreased by 7.28% from RM0.4602 to RM0.4267, while units in circulation increased by 44.60% from 1,460,314 units to 2,111,652 units.

The following line chart shows comparison between the annual performances of AmASEAN Equity and its benchmark, S&P ASEAN, for the financial years ended 30 June.



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

**Strategies and Policies Employed** Using fundamental research, the investment manager combined a top-down country and sector allocation process with a bottom-up stock selection process. Stocks selection was based on current income, prospects of growth and capital appreciation potential.

**Portfolio Structure** The table below is the asset allocation of the Fund as at 31 December 2023 and 30 June 2023.

	As at 31.12.2023 %	As at 30.06.2023 %	Changes %
Consumer discretionary	6.42	6.40	0.02
Consumer staples	5.57	8.43	-2.86
Energy	2.39	-	2.39
Financials	2.12	2.16	-0.04
Health care	3.92	9.99	-6.07
Industrials	7.32	12.65	-5.33
Information technology	12.70	15.92	-3.22
Materials	9.49	9.07	0.42
Real estate/REITs	7.20	6.92	0.28
Telecommunication services	6.18	15.99	-9.81
Utilities	1.11	-	1.11
Money market deposits and cash equivalents	35.58	12.47	23.11
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

The Fund's equity exposure as of 31 December 2023 was at 64.42% versus 87.53% as at 30 June 2023. The lower equity exposure was due to significant inflows in the last week of the period under review. The Fund had maintained a high equity exposure during the period under review.

During the period under review, the most notable being the reduced exposure in Telecommunication services which recorded a reduction of 9.81% due to the exclusion of Telkom Indonesia from the index. The Fund also has reduced exposure in Healthcare sector by 6.07% via profit taking activity to take advantage of strong glove rally during period under review.

The Fund initiated position in Energy sector by 2.39% as valuation has turned attractive following share price weakness resulting from weak global oil prices.

As of 31 December 2023 money market deposits and cash equivalents increased to 35.58% from 12.47% as at 30 June 2023.

**Securities Lending / Repurchase Transactions** The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").

**Cross Trade** There were no cross trades undertaken during the financial period under review.

**Distribution/ Unit splits** There is no income distribution and unit split declared for the financial period under review.



<b>State of Affairs</b>	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.
<b>Rebates and Soft Commission</b>	<p>During the period, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund's benchmark indices. All of these assists in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.</p> <p>The company has soft commission arrangement with a total of 11 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund's benchmark indices. All of these assists in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>
<b>Market Review</b>	<p>ASEAN equities started the period under review on a positive note, in line with the global emerging markets performance. Investors have grown increasingly more hopeful about a soft-landing scenario as economic data shows ongoing strength in the labor market and cooling inflation. Sentiment was also buoyed by positive announcements from the Chinese Politburo meeting where the authorities pledged more support to rejuvenate the economic recovery that has stalled after 1Q2023.</p> <p>Risk on appetite however took a turn in August on renewed liquidity concern on the China property market and the investment trust industry in August. Additionally, fears on the global slowdown and surging United States long term bond yields as well as the United States Dollar (USD) strength had resulted in continued foreign outflows from the regional markets. The breakout of the Middle East conflict further dented sentiment.</p> <p>Sentiment subsequently recovered in November on rising expectations of global central rate cuts in the upcoming year, particularly in 2024, as inflation rates continued to trend lower. Positive market momentum continued in December with economic data released in the US continued to suggest a soft-landing despite the higher interest.</p> <p>For the period under review, S&amp;P ASEAN BMI Shariah Index declined by 0.62% in Malaysian Ringgit (MYR) term. Malaysia was the best performing market, with FBM Emas Shariah Index gaining 5.51% during the period under review driven by the positivity from the various government policy announcements and a pick-up in quarterly earnings momentum. The Indonesia's Jakarta Composite Index and Singapore's Strait Time Index also delivered positive return of 4.24% and 1.92% respectively in MYR term.</p> <p>On the other hand, Thailand was the worst performing market in ASEAN, with SET Index registering a return of -3.92% in MYR term weighed by political uncertainties and concerns over disappointing Chinese tourist arrival. The Philippines Composite Index also ended 2.05% lower in MYR term.</p>
<b>Market Outlook</b>	The near-term economic outlook of the ASEAN economies remains favourable, supported by continued expansion in domestic demand. The region will also be benefitting from the global supply chain relocation and continued recovery in tourism sector.

	<p>A peaking of the United States Fed rate hike cycle typically bodes well for equity markets. Equity valuations are reasonable with the region's price/earnings ratio below the long-term average. We are constructive on the equity outlook and will continue to position into the equity market. The portfolio will adopt a balanced approach between value and growth. We would trade the price swings where possible, adding weights on price weakness in attractive growth sectors which may provide secular growth moving forward.</p>
<p><b>Additional Information</b></p>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>2) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>3) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.</li> </ol>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 February 2024

## AmASEAN Equity

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31.12.2023 (unaudited) RM	30.06.2023 (audited) RM
<b>ASSETS</b>			
Shariah-compliant investments	4	580,396	588,257
Dividend receivables		755	2,556
Amount due from brokers	5	-	13,358
Amount due from Manager	6(a)	254,834	-
Other receivable		232	232
Tax recoverable		175	521
Cash at banks		81,608	84,280
<b>TOTAL ASSETS</b>		<b>918,000</b>	<b>689,204</b>
<b>LIABILITIES</b>			
Amount due to Manager	6(b)	1,084	1,067
Amount due to Trustee	7	847	822
Sundry payables and accruals		15,047	15,230
<b>TOTAL LIABILITIES</b>		<b>16,978</b>	<b>17,119</b>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<b>901,022</b>	<b>672,085</b>
<b>EQUITY</b>			
Unit holders’ capital	9(a)	(2,015,046)	(2,296,039)
Retained earnings	9(b)(c)	2,916,068	2,968,124
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<b>901,022</b>	<b>672,085</b>
<b>UNITS IN CIRCULATION</b>	9(a)	<b>2,111,652</b>	<b>1,460,314</b>
<b>NAV PER UNIT (RM)</b>		<b>0.4267</b>	<b>0.4602</b>

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

## AmASEAN Equity

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

		01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022
	Note	RM	RM
<b>SHARIAH-COMPLIANT INVESTMENT LOSS/INCOME</b>			
Dividend/Distribution income		10,088	11,132
Profit income		907	1,281
Net (loss)/gain from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	(11,726)	20,790
Other net realised losses on foreign currency exchange		(11,278)	(1,871)
Other net unrealised loss on foreign currency exchange		(5)	-
		<u>(12,014)</u>	<u>31,332</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(6,092)	(6,694)
Trustee’s fee	7	(5,027)	(5,014)
Audit fee		(4,281)	(4,266)
Tax agent’s fee		(2,615)	(2,607)
Brokerage and other transaction fees		(6,829)	(1,359)
Custodian’s fee		(7,151)	(1,722)
Other expenses		(6,428)	(5,640)
		<u>(38,423)</u>	<u>(27,302)</u>
<b>Net (loss)/income before taxation</b>		(50,437)	4,030
<b>Taxation</b>	11	(1,619)	(1,130)
<b>Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial period</b>		<u>(52,056)</u>	<u>2,900</u>
Total comprehensive (loss)/income comprises the following:			
Realised income/(loss)		10,316	(12,142)
Unrealised (loss)/gain		(62,372)	15,042
		<u>(52,056)</u>	<u>2,900</u>

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

## AmASEAN Equity

### STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 July 2023		(2,296,039)	2,968,124	672,085
Total comprehensive loss for the financial period		-	(52,056)	(52,056)
Creation of units	9(a)	285,665	-	285,665
Cancellation of units	9(a)	(4,672)	-	(4,672)
Balance at 31 December 2023		<u>(2,015,046)</u>	<u>2,916,068</u>	<u>901,022</u>
At 1 July 2022		(2,232,123)	2,982,381	750,258
Total comprehensive income for the financial period		-	2,900	2,900
Creation of units		24,618	-	24,618
Cancellation of units		(82,842)	-	(82,842)
Balance at 31 December 2022		<u>(2,290,347)</u>	<u>2,985,281</u>	<u>694,934</u>

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

## AmASEAN Equity

### STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

	01.07.2023 to 31.12.2023 RM	01.07.2022 to 31.12.2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of Shariah-compliant investments	628,773	115,657
Purchase of Shariah-compliant investments	(630,558)	(75,714)
Dividends/Distributions received	11,548	10,104
Profit received	907	1,281
Manager's fee paid	(6,075)	(6,774)
Trustee's fee paid	(5,002)	(5,014)
Custodian's fee paid	(7,151)	(1,722)
Tax paid	(938)	(6)
Payments for other expenses	(20,334)	(5,719)
Net cash (used in)/generated from operating and investing activities	<u>(28,830)</u>	<u>32,093</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	30,830	24,618
Payments for cancellation of units	(4,672)	(82,842)
Net cash generated from/(used in) financing activities	<u>26,158</u>	<u>(58,224)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,672)	(26,131)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>84,280</u>	<u>152,757</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>81,608</u>	<u>126,626</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>81,608</u>	<u>126,626</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 1. GENERAL INFORMATION

AmASEAN Equity (the “Fund”) was established pursuant to a Deed dated 9 March 2011 (the “Deed”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund was set up with the objective to provide capital growth over the medium to long term by investing in Shariah-compliant equities and equity-related securities with exposure to the ASEAN markets. As provided in the Deed, the financial year shall end on 30 June and the units in the Fund were first offered for sale on 6 June 2011.

The financial statements were authorised for issue by the Manager on 19 February 2024.

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

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

##### Standards effective during the financial period

The adoption of the following MFRS which became effective during the financial period did not have any material financial impact to the financial statements.

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information (Amendments to MFRS 17 Insurance Contracts)*</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D.)

##### Standards issued but not yet effective

The standards and amendments to standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

#### 3. SUMMARY OF ACCOUNTING POLICIES

##### 3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Dividend/Distribution income

Dividend/Distribution income is recognised when the Fund's right to receive payment is established.

(ii) Profit income

Profit income on Islamic short-term deposits is recognised on an accrual basis using the effective profit method.

(iii) Gain or loss on disposal of Shariah-compliant investments

On disposal of Shariah-compliant investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments. The net realised gain or loss is recognised in profit or loss.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.2 Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**3.3 Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

**3.4 Foreign currency transactions**

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

**3.5 Statement of cash flows**

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

Cash and cash equivalents are short-term, highly liquid Shariah-compliant investments that are readily convertible to cash with insignificant risk of changes in value.

**3.6 Distribution**

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from profit income, dividend/distribution income and net gain on disposal of Shariah-compliant investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.7 Unit holders' capital**

The unit holders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

**3.8 Financial assets – initial recognition and measurement**

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**3.9 Financial assets under MFRS 9**

*Classification and measurement*

The classification of financial assets depends on the Fund's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPP test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPP test determines whether the contractual cash flows are solely for payments of principal and profit and the assessment is performed on a financial instrument basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.9 Financial assets under MFRS 9 (cont'd.)**

*Classification and measurement (cont'd.)*

The Fund may classify its financial assets under the following categories:

*Financial assets at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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. Financial assets include in this category are Shariah-compliant deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

*Financial assets at FVOCI*

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the outstanding principal.

These Shariah-compliant investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these Shariah-compliant investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

*Financial assets at FVTPL*

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Dividend/Distribution revenue and Profit earned and elements of such instruments are recorded separately in "Dividend/distribution income" and "Profit income" respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.9 Financial assets under MFRS 9 (cont'd.)**

*Classification and measurement (cont'd.)*

The Fund may classify its financial assets under the following categories: (cont'd.)

*Financial assets at FVTPL (cont'd.)*

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

The Fund subsequently measures its Shariah-compliant investments in equity investments and collective investment schemes ("CIS") at FVTPL. Dividends/Distributions earned whilst holding the Shariah-compliant investments are recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the Shariah-compliant investments, realised and unrealised, are included in profit or loss.

**3.10 Financial liabilities – classification and subsequent measurement**

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective profit method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective profit rate.

**3.11 Derecognition of financial instruments**

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Fund has transferred substantially all the risks and rewards of the asset, or
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.11 Derecognition of financial instruments (cont'd.)**

(i) Derecognition of financial asset (cont'd.)

For Shariah-compliant investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

**3.12 Financial instruments – expected credit losses (“ECL”)**

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

**3.13 Determination of fair value**

For Shariah-compliant investments in local quoted equity securities and CIS, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. For Shariah-compliant investments in foreign listed securities, which are quoted in the respective stock exchanges, fair value will be determined based on the published market price quoted by the respective stock exchanges at the end of each business day. Purchased cost is the quoted price that the Fund paid when buying its investments. The difference between the purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

**3.14 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.

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

##### 3.14 Classification of realised and unrealised gains and losses (cont'd.)

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

##### 3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its Shariah-compliant investments as financial assets at FVTPL as the Fund may sell its Shariah-compliant investments in the short-term for profit-taking or to meet unit holders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

#### 4. SHARIAH-COMPLIANT INVESTMENTS

	31.12.2023	30.06.2023
	RM	RM
<b>Financial assets at FVTPL</b>		
Quoted Shariah-compliant equity securities - local	266,946	319,298
Quoted Shariah-compliant equity securities - foreign	272,382	240,411
Quoted CIS - local	27,924	28,548
Quoted CIS - foreign	13,144	-
	<u>580,396</u>	<u>588,257</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 December 2023 are as follows:

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted Shariah-compliant equity securities - local</b>				
<b>Consumer discretionary</b>				
Bermaz Auto Berhad	8,200	19,352	19,680	2.15
DRB-HICOM Berhad	10,000	13,900	20,394	1.54
	<u>18,200</u>	<u>33,252</u>	<u>40,074</u>	<u>3.69</u>
<b>Consumer staples</b>				
Able Global Berhad	8,100	12,150	12,506	1.35
AEON Co. (M) Bhd.	11,700	12,753	13,974	1.42
Power Root Berhad	6,700	11,658	13,429	1.29
	<u>26,500</u>	<u>36,561</u>	<u>39,909</u>	<u>4.06</u>
<b>Energy</b>				
Dialog Group Berhad	6,700	13,869	13,529	1.54
<b>Financials</b>				
GHL Systems Berhad	8,600	5,977	7,416	0.66
<b>Health Care</b>				
Duopharma Biotech Berhad	7,700	9,702	9,416	1.08
Top Glove Corporation Bhd.	15,100	13,590	14,549	1.51
	<u>22,800</u>	<u>23,292</u>	<u>23,965</u>	<u>2.59</u>
<b>Industrials</b>				
CTOS Digital Berhad	7,800	10,998	13,700	1.22
Cypark Resources Berhad	7,000	6,615	6,510	0.74
Dufu Technology Corp. Berhad	3,100	5,890	8,020	0.65
UWC Berhad	3,900	13,728	14,455	1.52
	<u>21,800</u>	<u>37,231</u>	<u>42,685</u>	<u>4.13</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 December 2023 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted Shariah-compliant equity securities - local (cont'd.)</b>				
<b>Information technology</b>				
Dagang NeXchange Berhad	14,000	5,600	12,374	0.62
Datasonic Group Berhad	29,800	12,665	12,963	1.41
Inari Amertron Berhad	2,500	7,525	8,450	0.83
JHM Consolidation Berhad	8,400	6,048	6,384	0.67
SKP Resources Bhd.	11,900	9,401	20,377	1.04
V.S. Industry Berhad	16,200	13,203	23,112	1.47
	<u>82,800</u>	<u>54,442</u>	<u>83,660</u>	<u>6.04</u>
<b>Materials</b>				
Thong Guan Industries Berhad	<u>3,300</u>	<u>6,204</u>	<u>9,563</u>	<u>0.69</u>
<b>Real Estate</b>				
Skyworld Development Berhad	<u>19,700</u>	<u>10,835</u>	<u>14,081</u>	<u>1.20</u>
<b>Telecommunication services</b>				
Axiata Group Berhad	7,600	18,088	29,973	2.01
Telekom Malaysia Berhad	4,900	27,195	29,913	3.02
	<u>12,500</u>	<u>45,283</u>	<u>59,886</u>	<u>5.03</u>
<b>Total quoted Shariah-compliant equity securities - local</b>	<u>222,900</u>	<u>266,946</u>	<u>334,768</u>	<u>29.63</u>
<b>Quoted Shariah-compliant equity securities - foreign</b>				
<b>Indonesia</b>				
<b>Consumer staples</b>				
PT Unilever Indonesia Tbk	<u>12,900</u>	<u>13,575</u>	<u>13,882</u>	<u>1.51</u>
<b>Energy</b>				
PT Bumi Resources Tbk	<u>303,800</u>	<u>7,698</u>	<u>13,546</u>	<u>0.85</u>



## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 December 2023 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted Shariah-compliant equity securities - foreign (cont'd.)</b>				
<b>Indonesia (cont'd.)</b>				
<b>Financials</b>				
PT Bank BTPN Syariah Tbk	26,100	13,149	14,637	1.46
<b>Materials</b>				
PT Indocement Tunggal Prakarsa Tbk	4,000	11,208	13,726	1.25
PT Semen Indonesia (Persero) Tbk	6,900	13,164	13,162	1.46
PT Vale Indonesia Tbk	7,300	9,379	13,363	1.04
	<u>18,200</u>	<u>33,751</u>	<u>40,251</u>	<u>3.75</u>
<b>Total in Indonesia</b>	<u>361,000</u>	<u>68,173</u>	<u>82,316</u>	<u>7.57</u>
<b>Philippines</b>				
<b>Consumer discretionary</b>				
Wilcon Depot, Inc.	7,000	12,119	12,844	1.34
<b>Materials</b>				
D&L Industries Inc.	61,300	32,042	34,574	3.56
<b>Real estate</b>				
RL Commercial REIT, Inc.	32,000	12,962	13,088	1.44
<b>Telecommunication services</b>				
Converge Information and Communications Technology Solutions, Inc.	14,900	10,343	10,822	1.15
<b>Total in Philippines</b>	<u>115,200</u>	<u>67,466</u>	<u>71,328</u>	<u>7.49</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 December 2023 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted Shariah-compliant equity securities - foreign (cont'd.)</b>				
<b>Singapore</b>				
<b>Health Care</b>				
Raffles Medical Group Ltd.	3,200	12,024	13,848	1.33
<b>Information technology</b>				
AEM Holdings Ltd.	2,100	25,279	26,824	2.81
Venture Corporation Limited	200	9,470	11,234	1.05
	<u>2,300</u>	<u>34,749</u>	<u>38,058</u>	<u>3.86</u>
<b>Total in Singapore</b>	<u>5,500</u>	<u>46,773</u>	<u>51,906</u>	<u>5.19</u>
<b>Thailand</b>				
<b>Consumer discretionary</b>				
PTT Oil and Retail Business Public Company Limited	4,900	12,495	15,178	1.39
<b>Industrials</b>				
Airports of Thailand Public Company Limited	3,600	28,718	32,087	3.19
<b>Information technology</b>				
Delta Electronics (Thailand) Public Company Limited	1,000	11,749	13,240	1.30
Hana Microelectronics Public Company Limited	1,900	13,507	13,855	1.50
	<u>2,900</u>	<u>25,256</u>	<u>27,095</u>	<u>2.80</u>
<b>Materials</b>				
SCG Packaging Public Company Limited	2,800	13,458	15,049	1.49

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 December 2023 are as follows: (cont'd.)

Name of company/trust	Number of shares/ units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted Shariah-compliant equity securities - foreign (cont'd.)</b>				
<b>Thailand (cont'd.)</b>				
<b>Utilities</b>				
Energy Absolute Public Company Limited	1,700	10,043	13,840	1.11
<b>Total in Thailand</b>	<b>15,900</b>	<b>89,970</b>	<b>103,249</b>	<b>9.98</b>
<b>Total quoted Shariah-compliant equity securities - foreign</b>	<b>497,600</b>	<b>272,382</b>	<b>308,799</b>	<b>30.23</b>
<b>Quoted CIS - local</b>				
<b>REITs</b>				
Axis Real Estate Investment Trust	15,600	27,924	30,368	3.10
<b>Total quoted CIS - local</b>	<b>15,600</b>	<b>27,924</b>	<b>30,368</b>	<b>3.10</b>
<b>Quoted CIS - foreign</b>				
<b>Philippines</b>				
<b>REITs</b>				
MREIT Inc.	12,900	13,144	13,193	1.46
<b>Total in Philippines</b>	<b>12,900</b>	<b>13,144</b>	<b>13,193</b>	<b>1.46</b>
<b>Total quoted CIS - foreign</b>	<b>12,900</b>	<b>13,144</b>	<b>13,193</b>	<b>1.46</b>
<b>Total financial assets at FVTPL</b>	<b>749,000</b>	<b>580,396</b>	<b>687,128</b>	<b>64.42</b>
<b>Shortfall of fair value over purchased cost</b>		<b>(106,732)</b>		

#### 5. AMOUNT DUE FROM BROKERS

Amount due from brokers arose from the sale of investments. The settlement period is within two business days from the transaction.

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 6. AMOUNT DUE TO MANAGER

	Note	31.12.2023 RM	30.06.2023 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>254,834</u>	<u>-</u>
<b>(b) Due to Manager</b>			
Manager's fee payable	(ii)	<u>1,084</u>	<u>1,067</u>

(i) This represents amount receivable from the Manager for units created.

The normal credit period in the current financial period for creation of units is three business days.

(ii) Manager's fee is at a rate of 1.80% (30.06.2023: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the previous financial year and current financial period for Manager's fee payable is one month.

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (30.06.2023: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

The normal credit period in the previous financial year and current financial period for Trustee's fee payable is one month.

#### 8. NET (LOSS)/GAIN FROM SHARIAH-COMPLIANT INVESTMENTS

	01.07.2023 to 31.12.2023 RM	01.07.2022 to 31.12.2022 RM
Net (loss)/gain on financial assets at FVTPL comprised:		
- Net realised gains on sale of Shariah-compliant investments	44,375	6,496
- Net realised gain/(loss) on foreign currency exchange	6,266	(748)
- Net unrealised (loss)/gain on changes in fair value of Shariah-compliant investments	(55,318)	14,315
- Net unrealised (loss)/gain on foreign currency fluctuation of Shariah-compliant investments denominated in foreign currency	<u>(7,049)</u>	<u>727</u>
	<u>(11,726)</u>	<u>20,790</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	31.12.2023 RM	30.06.2023 RM
Unit holders' capital	(a)	(2,015,046)	(2,296,039)
Retained earnings			
– Realised income	(b)	3,022,798	3,012,482
– Unrealised losses	(c)	(106,730)	(44,358)
		<u>901,022</u>	<u>672,085</u>

#### (a) Unit holders' capital/units in circulation

	31.12.2023		30.06.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	1,460,314	(2,296,039)	1,592,344	(2,232,123)
Creation during the financial period/year	662,261	285,665	101,952	48,385
Cancellation during the financial period/year	(10,923)	(4,672)	(233,982)	(112,301)
At end of the financial period/year	<u>2,111,652</u>	<u>(2,015,046)</u>	<u>1,460,314</u>	<u>(2,296,039)</u>

The negative balance of unit holders' capital is due to the cancellation of units at a higher NAV per unit following the price appreciation of the Fund as compared to the units being created at a lower NAV per unit in prior financial years.

#### (b) Realised – distributable

	31.12.2023 RM	30.06.2023 RM
At beginning of the financial period/year	3,012,482	3,017,690
Net realised gain/(loss) for the financial period/year	10,316	(5,208)
At end of the financial period/year	<u>3,022,798</u>	<u>3,012,482</u>

#### (c) Unrealised – non-distributable

	31.12.2023 RM	30.06.2023 RM
At beginning of the financial period/year	(44,358)	(35,309)
Net unrealised losses for the financial period/year	(62,372)	(9,049)
At end of the financial period/year	<u>(106,730)</u>	<u>(44,358)</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad (“AMMB”)	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

There are no units held by the Manager or any related party as at 31 December 2023 and 30 June 2023.

#### 11. TAXATION

	<b>01.07.2023 to 31.12.2023</b>	<b>01.07.2022 to 31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Local tax	1,331	861
Foreign tax	288	269
	<u>1,619</u>	<u>1,130</u>

Income tax payable is calculated on Shariah-compliant investment income less deduction for permitted expenses as provided under Section 63B of the Income Tax Act, 1967.

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempted from tax. Foreign-sourced income (“FSI”) received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Withholding tax were charged to taxable dividend/distribution income derived from countries including Indonesia, Malaysia, Philippines and Thailand at the rates prevailing in these countries.

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 11. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to net (loss)/income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>01.07.2023 to 31.12.2023 RM</b>	<b>01.07.2022 to 31.12.2022 RM</b>
Net (loss)/income before taxation	<u>(50,437)</u>	<u>4,030</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(12,105)	967
Tax effects of:		
Income not subject to tax	(13,174)	(7,018)
Losses not allowed for tax deduction	17,676	629
Restriction on tax deductible expenses for unit trust fund	2,241	2,367
Non-permitted expenses for tax purposes	6,732	3,922
Permitted expenses not used and not available for future financial periods	<u>249</u>	<u>263</u>
Tax expense for the financial period	<u>1,619</u>	<u>1,130</u>

#### 12. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	<b>01.07.2023 to 31.12.2023 % p.a.</b>	<b>01.07.2022 to 31.12.2022 % p.a.</b>
Manager's fee	0.90	0.90
Trustee's fee	0.75	0.68
Fund's other expenses	<u>3.04</u>	<u>2.10</u>
Total TER	<u>4.69</u>	<u>3.68</u>

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

#### 13. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investments to the average NAV of the Fund calculated on a daily basis, is 0.93 times (01.07.2022 to 31.12.2022: 0.13 times).

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 14. SEGMENTAL REPORTING

The Manager and Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by two segments:

- A portfolio of Shariah-compliant equity instruments, including CIS; and
- A portfolio of Shariah-compliant fixed income instruments, including Shariah-compliant deposits with licensed financial institutions.

The investment objective of each segment is to achieve consistent returns from the Shariah-compliant investments in each segment while safeguarding capital by investing in diversified portfolios. There have been no changes in reportable segments in the current financial period.

	01.07.2023 to 31.12.2023			01.07.2022 to 31.12.2022		
	Equity portfolio RM	Fixed income portfolio RM	Total RM	Equity portfolio RM	Fixed income portfolio RM	Total RM
Dividend/ Distribution income	10,088	-	10,088	11,132	-	11,132
Profit income	-	907	907	-	1,281	1,281
Net (loss)/gain from Shariah- compliant investments:						
– Financial assets at FVTPL	(11,726)	-	(11,726)	20,790	-	20,790
Other net realised losses on foreign currency exchange	(11,278)	-	(11,278)	(1,871)	-	(1,871)
Other net unrealised loss on foreign currency exchange	(5)	-	(5)	-	-	-
Total segment investment (loss)/income for the financial period	<u>(12,921)</u>	<u>907</u>	<u>(12,014)</u>	<u>30,051</u>	<u>1,281</u>	<u>31,332</u>



## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 14. SEGMENTAL REPORTING (CONT'D.)

	31.12.2023			30.06.2023		
	Equity portfolio RM	Fixed income portfolio RM	Total RM	Equity portfolio RM	Fixed income portfolio RM	Total RM
Financial assets at FVTPL	580,396	-	580,396	588,257	-	588,257
Dividend receivables	755	-	755	2,556	-	2,556
Amount due from brokers	-	-	-	13,358	-	13,358
Total segment assets	<u>581,151</u>	<u>-</u>	<u>581,151</u>	<u>604,171</u>	<u>-</u>	<u>604,171</u>

There are no segment liabilities as at 31 December 2023 and 30 June 2023.

Expenses of the Fund are not considered part of the performance of any investment segment. The following table provides reconciliation between the net reportable segment (loss)/income and net (loss)/income after taxation:

	01.07.2023 to 31.12.2023 RM	01.07.2022 31.12.2022 RM
Net reportable segment investment (loss)/income	(12,014)	31,332
Less: Expenses	<u>(38,423)</u>	<u>(27,302)</u>
Net (loss)/income before taxation	(50,437)	4,030
Taxation	<u>(1,619)</u>	<u>(1,130)</u>
Net (loss)/income after taxation	<u>(52,056)</u>	<u>2,900</u>

In addition, certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment. The following table provides reconciliation between the net reportable segment assets and liabilities and total assets and liabilities of the Fund.

	31.12.2023 RM	30.06.2023 RM
Total segment assets	581,151	604,171
Amount due from Manager	254,834	-
Other receivable	232	232
Tax recoverable	175	521
Cash at banks	<u>81,608</u>	<u>84,280</u>
Total assets of the Fund	<u>918,000</u>	<u>689,204</u>

## AmASEAN Equity

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

#### 14. SEGMENTAL REPORTING (CONT'D.)

In addition, certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment. The following table provides reconciliation between the net reportable segment assets and liabilities and total assets and liabilities of the Fund. (cont'd.)

	31.12.2023	30.06.2023
	RM	RM
Amount due to Manager	1,084	1,067
Amount due to Trustee	847	822
Sundry payables and accruals	15,047	15,230
Total liabilities of the Fund	<u>16,978</u>	<u>17,119</u>

#### 15. TRANSACTIONS WITH BROKERS

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

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
AmlInvestment Bank Berhad*	400,357	31.84	2,380	34.85
CLSA Limited (Hong Kong)	308,050	24.50	1,676	24.54
Macquarie Securities (Australia) Limited	276,925	22.03	1,247	18.27
Hong Leong Investment Bank Berhad	164,393	13.08	1,104	16.17
Macquarie Securities Ltd (SG)	48,320	3.84	164	2.41
CLSA Singapore Pte Ltd.	27,176	2.16	93	1.35
RHB Investment Bank Berhad	21,053	1.68	111	1.61
Maybank Investment Bank Berhad	10,976	0.87	54	0.80
Total	<u>1,257,250</u>	<u>100.00</u>	<u>6,829</u>	<u>100.00</u>

\* A financial institution related to the Manager.

The Manager is of the opinion that the above transactions have been entered into the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The above transactions are in respect of Shariah-compliant listed equity securities and CIS.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk, non-compliance risk and Shariah non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of Shariah-compliant investments coupled with stringent compliance to Shariah-compliant investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds, Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Services, and the Deed as the backbone of risk management of the Fund.

**(a) Market risk**

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

**(i) Price risk**

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its Shariah-compliant quoted investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

**(ii) Profit rate risk**

Profit rate risk will affect the value of the Fund's Shariah-compliant investments, given the profit rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic profit rates on Shariah-compliant deposits and placements with licensed financial institutions are determined based on prevailing market rates.

**(iii) Currency risk**

Currency risk is associated with the Fund's assets and liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(a) Market risk (cont'd.)**

**(iii) Currency risk (cont'd.)**

The net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows:

Assets denominated in	31.12.2023		30.06.2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>Indonesian Rupiah</b>				
Shariah-compliant investments	68,173	7.57	76,058	11.31
Dividend receivable	-	-	1,831	0.27
	<u>68,173</u>	<u>7.57</u>	<u>77,889</u>	<u>11.58</u>
<b>Philippine Peso</b>				
Shariah-compliant investments	80,610	8.95	33,811	5.03
Dividend receivable	-	-	253	0.04
	<u>80,610</u>	<u>8.95</u>	<u>34,064</u>	<u>5.07</u>
<b>Singapore Dollar</b>				
Shariah-compliant investments	<u>46,773</u>	<u>5.19</u>	<u>90,071</u>	<u>13.40</u>
<b>Thailand Baht</b>				
Shariah-compliant investments	89,970	9.98	40,471	6.02
Dividend receivable	156	0.02	-	-
Cash at bank	1	-*	1	-*
	<u>90,127</u>	<u>10.00</u>	<u>40,472</u>	<u>6.02</u>

\* represents less than 0.01%.

**(b) Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to Shariah-compliant deposits and dividends receivable. The issuer of such instruments may not be able to fulfill the required profit payments or repay the principal invested or amount owing. These risks may cause the Fund's Shariah-compliant investments to fluctuate in value.

For shariah-compliant deposits with licensed financial institutions, the Fund makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023**

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of Shariah-compliant deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

**(d) Single issuer risk**

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

**(e) Regulatory risk**

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

**(f) Country risk**

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is possibility that the NAV of the Fund may be adversely affected.

**(g) Management risk**

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

**(h) Non-compliance risk**

This is the risk of the Manager or the Trustee not complying with the respective internal policies, the Deed and its Supplemental Deed, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

**(i) Shariah non-compliance risk**

This is the risk of the Fund not conforming to Shariah Investment Guidelines. The Shariah adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

## **AmASEAN Equity**

### **STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management 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 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmASEAN Equity (the “Fund”) as at 31 December 2023 and the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 February 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMASEAN EQUITY ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
19 February 2024

## SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND

To the unit holders of AmASEAN Equity ("Fund"),

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AmFunds Management 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 assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

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Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 19 February 2024



## DIRECTORY

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*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*

