

Quarterly Report for

AmBond Select 1

31 July 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

AmFunds Management Berhad
9th & 10th 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

Trustee

HSBC (Malaysia) Trustee Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

CONTENTS

- 1** Manager's Report
- 6** Statement of Financial Position
- 7** Statement of Comprehensive Income
- 8** Statement of Changes in Equity
- 9** Statement of Cash Flows
- 10** Notes to the Financial Statements
- 11** Directory

MANAGER'S REPORT

Dear Unitholder,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of AmBond Select 1 ("Fund") for the financial period from 1 May 2024 to 31 July 2024.

Salient Information of the Fund

Name	AmBond Select 1 ("Fund")				
Category/Type	Wholesale Fixed Income / Income				
Objective	<p>The Fund aims to provide regular income*.</p> <p><i>Note:</i> <i>* Income distribution could be in the form of units or cash.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>				
Duration	The Fund was established on 21 November 2017 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.				
Performance Benchmark	Quantshop MGS 1-5 years index ("MGS 1-5 years") (Available at www.aminvest.com)				
Income Distribution Policy	<p>Income (if any) will be distributed monthly.</p> <p><i>Note: The income could be in the form of units or cash. Distribution of income should only be made from realised gains or realised income.</i></p>				
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 1,001 units.				
	Size of holding	As at 31 July 2024		As at 30 April 2024	
		No of units held	Number of unitholder	No of units held	Number of unitholder
	5,000 and below	1,001	1	1,001	1
	5,001-10,000	-	-	-	-
	10,001-50,000	-	-	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	-	-	-	-

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 July 2024 and for the past three financial years are as follows:			
		As at 31.07.2024 %	As at 30 April	
		2024 %	2023 %	2022 %
Corporate bonds (guaranteed by the Government)	-	-	25.41	22.98
Malaysian Government Securities	-	-	65.41	64.55
Money market deposits and cash equivalents	100.00	100.00	9.18	12.47
Total	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial period ended 31 July 2024 and three financial years ended 30 April are as follows:			
		FPE 31.07.2024	FYE 2024	FYE 2023
Net asset value (RM'000)	1	1	284,302	273,405
Units in circulation ('000)	1	1	286,293	286,293
Net asset value per unit (RM)	1.0412	1.0412	0.9930	0.9550
Highest net asset value per unit (RM)	1.0412	1.0412	0.9946	0.9963
Lowest net asset value per unit (RM)	1.0412	0.9928	0.9497	0.9550
Benchmark performance (%)	1.55	2.84	4.91	-0.29
Total return (%) ⁽¹⁾	-	4.86	6.97	-1.31
- Capital growth (%)	-	4.86	4.06	-3.71
- Income distribution (%)	-	-	2.91	2.40
Gross distributions (sen per unit)	-	-	2.78	2.38
Net distributions (sen per unit)	-	-	2.78	2.38
Total expense ratio (%) ⁽²⁾	3.26	0.25	0.24	0.24
Portfolio turnover ratio (times) ⁽³⁾	-	2.84	0.42	0.67
	<i>Note:</i>			
	<i>(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.</i>			
	<i>(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.</i>			
	<i>(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.</i>			

Average Total Return (as at 31 July 2024)

	AmBond Select 1^(a) %	MGS 1-5 years^(b) %
One year	4.33	3.95
Three years	3.13	2.73
Five years	3.56	3.31
Since launch (21 November 2017)	3.86	3.52

Annual Total Return

Financial Years Ended (30 April)	AmBond Select 1^(a) %	MGS 1-5 years^(b) %
2024	4.86	2.84
2023	6.97	4.91
2022	-1.31	-0.29
2021	1.33	2.83
2020	8.24	6.11

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

(b) Quantshop MGS 1-5 years index ("MGS 1-5 years").
(Available at 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.

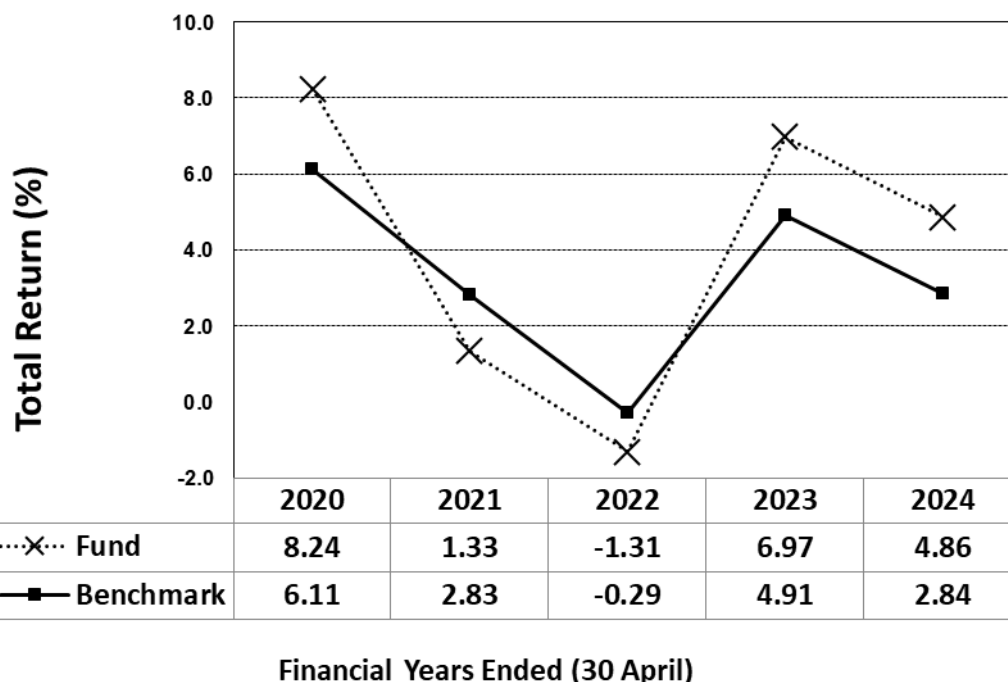
Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

Fund Performance

For the financial period under review, the Fund's return is nil as compared to the benchmark's return of 1.55%.

As compared with the financial year ended 30 April 2024, the net asset value ("NAV") per unit of the Fund is maintained at RM1.0412, while units in circulation remain unchanged at 1,001 units.

The following line chart shows comparison between the annual performances of AmBond Select 1 and its benchmark, Quantshop MGS 1-5 years index, for the financial years ended 30 April.



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

During the year up to August 2023, the Fund seeks to achieve its objective by investing in Malaysian Government Securities, Government Investment issue and any other securities guaranteed by the Malaysian government or Bank Negara Malaysia.

The Fund has remained inactive following full redemption by investor with effect from August 2023.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 July 2024 and 30 April 2024.

	As at 31.07.2024 %	As at 30.04.2024 %	Changes %
Money market deposits and cash equivalents	100.00	100.00	-
Total	100.00	100.00	

As at end-July 2024, the Fund remained inactive (without investment activity) and has invested 100% of its NAV in money market deposits and cash equivalents.

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.

State of Affairs

The Fund has remained inactive following full redemption by investor with effect from August 2023.

Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
Market Review	<p>In May, Malaysian bond market reversed from its earlier sell-off in April and strengthened driven primarily by lower-than-expected United States (US) Job data released at the beginning of the month and dovish tone from the US Federal Reserve (Fed) in its post- Federal Open Market Committee (FOMC) meeting speech. While Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% during policy meeting with a neutral monetary stance, positive sentiment in local bond market was reflected in the three sovereign bond auctions which garnered strong demand and recorded bid-to-cover (BTC) ratio between 1.965x to 3.085x. As investors were adjusting their view that the US Fed is not in a rush to cut rates, local bonds weakened slightly towards end of the month, reflecting the trend in the United States Treasury (UST) market.</p> <p>Malaysian bond market further strengthened in June and July, driven by similar movement in the UST. Economic data releases from the US were generally supportive of the bond market, indicating a cooling labour market and a continued disinflation trend. Both US headline and core Personal Consumption Expenditure (PCE) for June cooled to 2.6% on a year-on-year (YoY) basis, the lowest level in more than three years. The US unemployment rate jumped to near a three-year high of 4.3% in July amid a significant slowdown in hiring, heightening fears that the labor market was deteriorating and potentially making the economy vulnerable to a recession. As investors digested comments from Fed Chair Jerome Powell, who suggested a September rate cut was on the table, along with a jump in US jobless claims, the US 10-year Treasury yield fell below 4% for the first time since February.</p>
Market Outlook	With The United States (US) Federal Reserve (Fed) poised to cut rates as soon as September, we expect further fund flows from offshore investors to intensify in the coming months. This would provide the catalyst for the market to rally further especially on the government bonds market. Market liquidity is expected to remain ample with strong demands on bonds on an extended pause on the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM).

Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 September 2024

AmBond Select 1**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024**

	31.07.2024 (unaudited) RM	30.04.2024 (audited) RM
ASSET		
Cash at banks	4,510	4,526
TOTAL ASSET	<u>4,510</u>	<u>4,526</u>
LIABILITY		
Sundry payables and accruals	3,467	3,483
TOTAL LIABILITY	<u>3,467</u>	<u>3,483</u>
NET ASSET VALUE (“NAV”) OF THE FUND	<u>1,043</u>	<u>1,043</u>
EQUITY		
Unit holder’s capital	2,524,790	2,524,790
Accumulated losses	(2,523,747)	(2,523,747)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDER	<u>1,043</u>	<u>1,043</u>
UNITS IN CIRCULATION	<u>1,001</u>	<u>1,001</u>
NAV PER UNIT (RM)	<u>1.0412</u>	<u>1.0412</u>

AmBond Select 1

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024

	Note	01.05.2024 to 31.07.2024 RM	01.05.2023 to 31.07.2023 RM
INVESTMENT INCOME			
Interest income		34	2,099,251
Net loss from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	1	-	(780,579)
		<u>34</u>	<u>1,318,672</u>
EXPENDITURE			
Manager’s fee		-	(128,833)
Trustee’s fee		-	(25,766)
Audit fee		-	(1,257)
Tax agent’s fee		-	(830)
Other expenses		(34)	(804)
		<u>(34)</u>	<u>(157,490)</u>
Net income before taxation		-	1,161,182
Taxation		-	-
Net income after taxation, representing total comprehensive income for the financial period		<u>-</u>	<u>1,161,182</u>
Total comprehensive income comprises the following:			
Realised loss		-	(2,257,727)
Unrealised income		-	3,418,909
		<u>-</u>	<u>1,161,182</u>

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

AmBond Select 1

STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024

	Unit holder's capital RM	Accumulated losses RM	Total equity RM
At 1 May 2024	2,524,790	(2,523,747)	1,043
Balance at 31 July 2024	<u>2,524,790</u>	<u>(2,523,747)</u>	<u>1,043</u>
At 1 May 2023	288,000,002	(3,697,961)	284,302,041
Total comprehensive income for the financial period	-	1,161,182	1,161,182
Cancellation of units	<u>(180,000,000)</u>	-	<u>(180,000,000)</u>
Balance at 31 July 2023	<u>108,000,002</u>	<u>(2,536,779)</u>	<u>105,463,223</u>

AmBond Select 1

STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024

	01.05.2024 to 31.07.2024 RM	01.05.2023 to 31.07.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	-	271,072,702
Purchases of investments	-	(60,220,700)
Interest received	34	3,981,895
Manager's fee paid	-	(140,012)
Trustee's fee paid	-	(28,315)
Payments for other expenses	(50)	1,047
Net cash (used in)/generated from operating and investing activities	(16)	214,666,617
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for cancellation of units	-	(180,000,000)
Distributions paid	-	(687,103)
Net cash used in financing activities	-	(180,687,103)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(16)	33,979,514
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	4,526	26,818,319
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	4,510	60,797,833
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	-	41,261,405
Cash at banks	4,510	19,536,428
	4,510	60,797,833

AmBond Select 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024**

1. NET LOSS FROM INVESTMENTS

	01.05.2024 to 31.07.2024 RM	01.05.2023 to 31.07.2023 RM
Net loss on financial assets at FVTPL comprised:		
– Net realised loss on sale of investments	-	(4,199,488)
– Net unrealised gain on changes in fair value of investments	-	3,418,909
	<u>-</u>	<u>(780,579)</u>

DIRECTORY

Head Office 9th & 10th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Email: enquiries@aminvest.com

Postal Address AmFunds Management Berhad
P.O Box 13611, 50816 Kuala Lumpur

*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.)*

