

Quarterly Report for

AmBond Select 2

31 January 2025



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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Trustee

HSBC (Malaysia) Trustee 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 quarterly accounts of AmBond Select 2 ("Fund") for the financial period from 1 November 2024 to 31 January 2025.

Salient Information of the Fund

Name	AmBond Select 2 ("Fund")				
Category/Type	Wholesale Fixed Income / Income				
Objective	<p>The Fund aims to provide regular income*.</p> <p><i>* Income distribution could be in the form of units or cash.</i></p> <p><i>Note: 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 Malaysian Government Securities (MGS) 1-5 years index + 80 bps (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 617,854,269 units.				
	Size of holding	As at 31 January 2025		As at 31 October 2024	
		No of units held	Number of unitholders	No of units held	Number of unitholders
	5,000 and below	-	-	-	-
	5,001-10,000	-	-	-	-
	10,001-50,000	-	-	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	617,854,269	2	616,560,427	2

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 January 2025, 31 October 2024 and for the past three financial years are as follows:						
		As at 31.01.2025 %	As at 31.10.2024 %	As at 30 April			
				2024 %	2023 %	2022 %	
	Corporate bonds	86.24	90.62	86.65	94.64	83.09	
Money market deposits and cash equivalents	13.76	9.38	13.35	5.36	16.91		
Total	100.00	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 periods ended 31 January 2025, 31 October 2024 and three financial years ended 30 April are as follows:						
		FPE 31.01.2025	FPE 31.10.2024	FYE 2024	FYE 2023	FYE 2022	
	Net asset value (RM'000)	639,317	639,224	578,845	545,364	429,058	
	Units in circulation ('000)	617,854	616,560	553,723	532,718	427,365	
	Net asset value per unit (RM)	1.0347	1.0368	1.0454	1.0237	1.0040	
	Highest net asset value per unit (RM)	1.0386	1.0441	1.0526	1.0259	1.0327	
	Lowest net asset value per unit (RM)	1.0341	1.0366	1.0239	0.9994	1.0040	
	Benchmark performance (%)	1.26	0.72	3.67	5.75	0.51	
	Total return (%) ⁽¹⁾	0.94	0.65	5.64	5.18	1.41	
	- Capital growth (%)	-0.18	-0.36	2.21	2.03	-2.14	
	- Income distributions (%)	1.12	1.01	3.43	3.15	3.55	
	Gross distributions (sen per unit)	1.16	1.05	3.51	3.16	3.64	
	Net distributions (sen per unit)	1.16	1.05	3.51	3.16	3.64	
	Total expense ratio (%) ⁽²⁾	0.06	0.06	0.24	0.24	0.24	
	Portfolio turnover ratio (times) ⁽³⁾	0.04	0.07	0.50	0.61	0.45	
		<i>Note:</i>					
		<i>(1) Total return is the actual return of the Fund for the respective financial periods/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 January 2025)

	AmBond Select 2^(a) %	Benchmark^(b) %
One year	4.24	4.37
Three years	4.54	4.09
Five years	3.95	3.89
Since launch (21 November 2017)	4.61	4.32

Annual Total Return

Financial Years Ended (30 April)	AmBond Select 2^(a) %	Benchmark^(b) %
2024	5.64	3.67
2023	5.18	5.75
2022	1.41	0.51
2021	2.83	3.65
2020	7.42	6.97

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

(b) Quantshop MGS 1-5 years index + 80 bps ("MGS")
(Available at www.aminvest.com)

The Fund performance is calculated based on the 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 price and investment returns may go down, as well as up.

Fund Performance

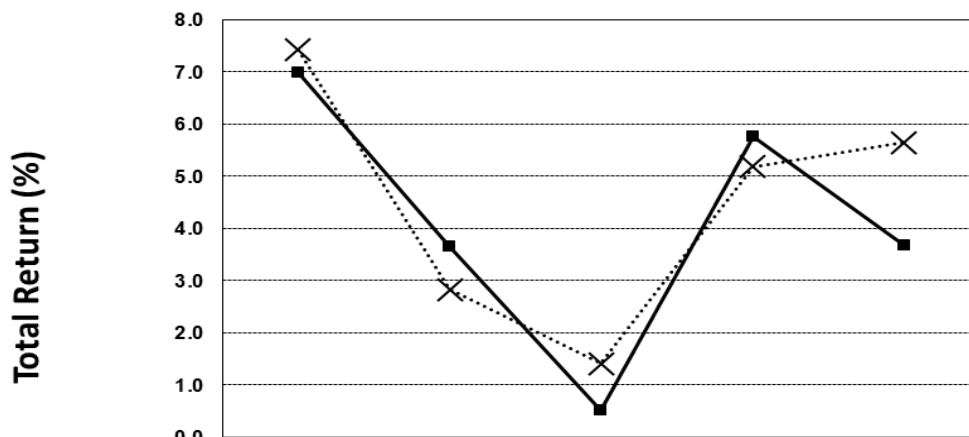
For the financial period under review, the Fund registered a return of 0.94%^(a) comprising of negative 0.18% capital and 1.12% income distributions.

Thus, the Fund's return of 0.94%^(a) has underperformed the benchmark's return of 1.26% by 0.32%.

As compared with the financial period ended 31 October 2024, the net asset value ("NAV") per unit of the Fund decreased by 0.20% from RM1.0368 to RM1.0347, while units in circulation increased by 0.21% from 616,560,427 units to 617,854,269 units.

(a) Fund return based on the published price (last business day).

The following line chart shows comparison between the annual performances of AmBond Select 2 and its benchmark for the financial years ended 30 April.



	2020	2021	2022	2023	2024
...x... Fund	7.42	2.83	1.41	5.18	5.64
—■— Benchmark	6.97	3.65	0.51	5.75	3.67

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

For the financial period under review, the Fund seeks to achieve its objective by investing in bonds with minimum credit rating of A1 by RAM or its equivalent as rated by a local or global rating agency. The Manager will be managing the Fund's bond portfolio by maintaining average duration of not exceeding 5 years and the maximum maturity tenure of the Fund's each bond not exceeding 10.5 years.

The Fund invests in RM-denominated bonds issued by issuers from ASEAN countries.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 January 2025 and 31 October 2024.

	As at 31.01.2025 %	As at 31.10.2024 %	Changes %
Corporate bonds	86.24	90.62	-4.38
Money market deposits and cash equivalents	13.76	9.38	4.38
Total	100.00	100.00	

As at 31 January 2025, the Fund had 86.24% of its NAV invested in corporate bonds, with the remaining 13.76% in money market deposits and cash equivalents.

Cross Trades

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

Distribution/ Unit splits

During the financial period under review, the Fund declared income distributions, detailed as follows:

	Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)
	29-Nov-24	0.44	1.0387	1.0343
	31-Dec-24	0.38	1.0379	1.0341
	31-Jan-25	0.34	1.0381	1.0347
	There is no unit split declared for the financial period under review.			
State of Affairs	There has been neither significant changes 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.			
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 November, the local bond market rallied as investors were influenced by similar bullish sentiment in UST in the later part of the month, coupled with Bank Negara Malaysia (BNM) announcement of the cancellation of the 3-year Government Investment Issue (GII). The lower-than-anticipated government bond supply in the market resulted in a buoyant sentiment with Malaysian Government Securities (MGS) yields fell between 5 and 15 basis points (bps) on month-on-month (MoM) basis in November.</p> <p>Malaysian bond market traded marginally weaker in the final month of the year amidst profit taking activities on the back of bearish global bond backdrop and partly contributed by a lack of liquidity in second half of December as many were away for year-end holiday. This was despite positive news from BNM on the announcement of a much smaller than expected final government bond auction for the year. Overall, MGS yields rose 1-4 bps, except for the ultra-long end 30-Year MGS which declined 1 bps on a MoM basis in December.</p> <p>Local bond market was mixed in January 2025, amidst Malaysia advanced fourth quarter GDP and CPI for December both came in lower than expectations, and a stronger than anticipated showing for exports for the month. During the first Monetary Policy Committee meeting of the year, BNM has decided to maintain the overnight policy rate at 3.0%. Overall, MGS traded firmer with yields fell 1-2 bps, except for the ultra-long MGS which increased 1bps on a MoM basis in January.</p>			
Market Outlook	Bank Negara Malaysia is expected to maintain its current policy rates throughout 2025. This stability in interest rates is anticipated to support the bond market, as it reduces uncertainty and volatility.			

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 March 2025

AmBond Select 2

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025

	31.01.2025 (unaudited) RM	30.04.2024 (audited) RM
ASSETS		
Investments	551,365,751	501,555,846
Interest receivables	125,572	163,269
Amount due from brokers	-	5,105,171
Deposits with licensed financial institution	30,144,904	-
Cash at banks	59,936,694	74,154,108
TOTAL ASSETS	<u>641,572,921</u>	<u>580,978,394</u>
LIABILITIES		
Amount due to Manager	122,807	110,356
Amount due to Trustee	21,752	18,921
Distribution payable	2,100,704	1,993,403
Sundry payables and accruals	11,129	10,428
TOTAL LIABILITIES	<u>2,256,392</u>	<u>2,133,108</u>
NET ASSET VALUE (“NAV”) OF THE FUND	<u>639,316,529</u>	<u>578,845,286</u>
EQUITY		
Unit holders’ capital	632,223,556	565,372,178
Retained earnings	7,092,973	13,473,108
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>639,316,529</u>	<u>578,845,286</u>
UNITS IN CIRCULATION	<u>617,854,269</u>	<u>553,722,991</u>
NAV PER UNIT (RM)	<u>1.0347</u>	<u>1.0454</u>

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STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2024 TO 31 JANUARY 2025

	Note	01.11.2024 to 31.01.2025 RM	01.11.2023 to 31.01.2024 RM
INVESTMENT INCOME			
Interest income		6,934,448	6,121,249
Net (loss)/gain from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	1	<u>(629,895)</u>	<u>8,196,080</u>
		<u>6,304,553</u>	<u>14,317,329</u>
EXPENDITURE			
Manager’s fee		(322,644)	(282,957)
Trustee’s fee		(64,529)	(56,592)
Audit fee		(1,260)	(1,257)
Tax agent’s fee		(832)	(830)
Other expenses		<u>(102)</u>	<u>(588)</u>
		<u>(389,367)</u>	<u>(342,224)</u>
Net income before taxation		5,915,186	13,975,105
Taxation		<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial period		<u>5,915,186</u>	<u>13,975,105</u>
Total comprehensive income comprises the following:			
Realised income		7,207,096	5,602,953
Unrealised (loss)/gain		<u>(1,291,910)</u>	<u>8,372,152</u>
		<u>5,915,186</u>	<u>13,975,105</u>
Distributions for the financial period			
Net distributions	2	<u>7,161,553</u>	<u>4,065,990</u>
Gross distributions per unit (sen)	2	<u>1.16</u>	<u>0.75</u>
Net distributions per unit (sen)	2	<u>1.16</u>	<u>0.75</u>

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

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STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2024 TO 31 JANUARY 2025

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 November 2024		630,884,516	8,339,340	639,223,856
Total comprehensive income for the financial period		-	5,915,186	5,915,186
Reinvestment of distributions		1,339,040	-	1,339,040
Distributions	2	-	(7,161,553)	(7,161,553)
Balance at 31 January 2025		<u>632,223,556</u>	<u>7,092,973</u>	<u>639,316,529</u>
At 1 November 2023		545,489,471	4,325,529	549,815,000
Total comprehensive income for the financial period		-	13,975,105	13,975,105
Creation of units		8,560,000	-	8,560,000
Reinvestment of distributions		811,239	-	811,239
Distributions	2	-	(4,065,990)	(4,065,990)
Balance at 31 January 2024		<u>554,860,710</u>	<u>14,234,644</u>	<u>569,095,354</u>

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

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STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2024 TO 31 JANUARY 2025

	01.11.2024 to 31.01.2025 RM	01.11.2023 to 31.01.2024 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	60,996,534	39,515,363
Purchases of investments	(10,232,000)	(89,937,700)
Interest received	8,661,088	5,721,880
Manager's fee paid	(322,374)	(279,926)
Trustee's fee paid	(64,484)	(56,045)
Tax agent's fee paid	-	(3,300)
Payments for other expenses	(5,156)	(588)
Net cash generated from/(used in) operating and investing activities	<u>59,033,608</u>	<u>(45,040,316)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	-	8,560,000
Distributions paid	(5,941,426)	(4,509,953)
Net cash (used in)/generated from financing activities	<u>(5,941,426)</u>	<u>4,050,047</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	53,092,182	(40,990,269)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>36,989,416</u>	<u>77,792,776</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>90,081,598</u>	<u>36,802,507</u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institution	30,144,904	-
Cash at banks	59,936,694	36,802,507
	<u>90,081,598</u>	<u>36,802,507</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2024 TO 31 JANUARY 2025

1. NET (LOSS)/GAIN FROM INVESTMENTS

	01.11.2024 to 31.01.2025 RM	01.11.2023 to 31.01.2024 RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	662,015	(176,072)
– Net unrealised (loss)/gain on changes in fair value of investments	(1,291,910)	8,372,152
	<u>(629,895)</u>	<u>8,196,080</u>

2. DISTRIBUTIONS

Details of distributions to unit holders for the financial periods are as follows:

	01.11.2024 to 31.01.2025 RM	01.11.2023 to 31.01.2024 RM
Gross distributions per unit (sen)	<u>1.16</u>	<u>0.75</u>
Net distributions per unit (sen)	<u>1.16</u>	<u>0.75</u>

Financial period ended 31 January 2025

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
29 November 2024	0.44	0.44	2,714,593
31 December 2024	0.38	0.38	2,346,255
31 January 2025	0.34	0.34	2,100,705
	<u>1.16</u>	<u>1.16</u>	<u>7,161,553</u>

Financial period ended 31 January 2024

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
30 November 2023	0.22	0.22	1,184,763
29 December 2023	0.22	0.22	1,195,742
31 January 2024	0.31	0.31	1,685,485
	<u>0.75</u>	<u>0.75</u>	<u>4,065,990</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2024 TO 31 JANUARY 2025**

2. DISTRIBUTIONS (CONT'D.)

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

The distributions declared for the financial period ended 31 January 2025 were proposed before taking into account the net unrealised loss of RM1,291,910 arising during the financial period which is carried forward to the next financial period.

All distributions during the current financial period were sourced from realised income. There were no distributions out of capital.

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.)*

