

Annual Report for

AmBond

31 March 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

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmBond ("Fund") for the financial year ended 31 March 2024.

Salient Information of the Fund

Name	AmBond ("Fund")
Category/ Type	Bond / Income
Objective	<p>AmBond is a medium to long-term** bond fund that aims to provide you with a stream of income*.</p> <p><i>Note:</i> * The Income could be in the form of units or cash. ** Medium to long term refers to a period of at least three (3) years. Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
Duration	The Fund was established on 20 January 2000 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	<p>BPAM Corporates All Bond Index ("BPAM Corps All Bond Index") (Available at www.aminvest.com)</p> <p><i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i></p>
Income Distribution Policy	Subject to the availability of income, distribution will be made at least twice every year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 March are as follows:			
		As at 31 March		
		2024	2023	2022
		%	%	%
	Commercial Paper	0.05	-	-
	Corporate bonds	80.79	91.93	91.20
	Government Investment Issue	3.45	-	-
	Malaysian Government Securities	8.97	-	-
Money market deposits and cash equivalents	6.74	8.07	8.80	
Total	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 years ended 31 March are as follows:

	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)	734,480,159	320,609,141	413,678,744
Units in circulation	539,311,611	248,284,889	325,333,139
Net asset value per unit (RM)	1.3619	1.2913	1.2716
Highest net asset value per unit (RM)	1.3619	1.3060	1.3152
Lowest net asset value per unit (RM)	1.2917	1.2415	1.2701
Benchmark performance (%)	6.81	4.30	2.99
Total return (%) ⁽¹⁾	5.84	4.17	1.52
- Capital growth (%)	5.45	1.59	-0.82
- Income distributions (%)	0.39	2.58	2.34
Gross distributions (sen per unit)	0.50	3.28	3.00
Net distributions (sen per unit)	0.50	3.28	3.00
Total expense ratio (%) ⁽²⁾	1.04	1.05	1.04
Portfolio turnover ratio (times) ⁽³⁾	1.00	0.49	0.63

Note:

- (1) Total return is the actual return of the Fund for the respective financial 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. The TER decreased by 0.01% as compared to 1.05% per annum for the financial year ended 31 March 2023 mainly due to increase in average fund size.
- (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. The increase in the PTR for 2024 and decrease in 2023 were due mainly to investing activities.

Average Total Return (as at 31 March 2024)

	AmBond^(a) %	MMGS/ All MGS/ BPAM Corps All Bond Index^{**}(b) %
One year	5.84	6.81
Three years	3.83	4.68
Five years	4.07	4.78
Ten years	4.52	4.99

Annual Total Return

Financial Years Ended (31 March)	AmBond^(a) %	MMGS/ All MGS/ BPAM Corps All Bond Index^{** (b)} %
2024	5.84	6.81
2023	4.17	4.30
2022	1.52	2.99
2021	3.18	3.80
2020	5.71	6.09

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

(b) BPAM Corporates All Bond Index (“BPAM Corps All Bond Index”) (Available at www.aminvest.com)

** Benchmark – from 20 January 2000 until 4 July 2013 – Medium Malaysian Government Securities Index (“MMGS”) – from 5 July 2013 until 30 September 2016 – Quantshop All Malaysian Government Securities (MGS) Index (“All MGS”) – from 1 October 2016 onwards – BPAM Corporates All Bond Index (“BPAM Corps All Bond Index”) (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 year 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.

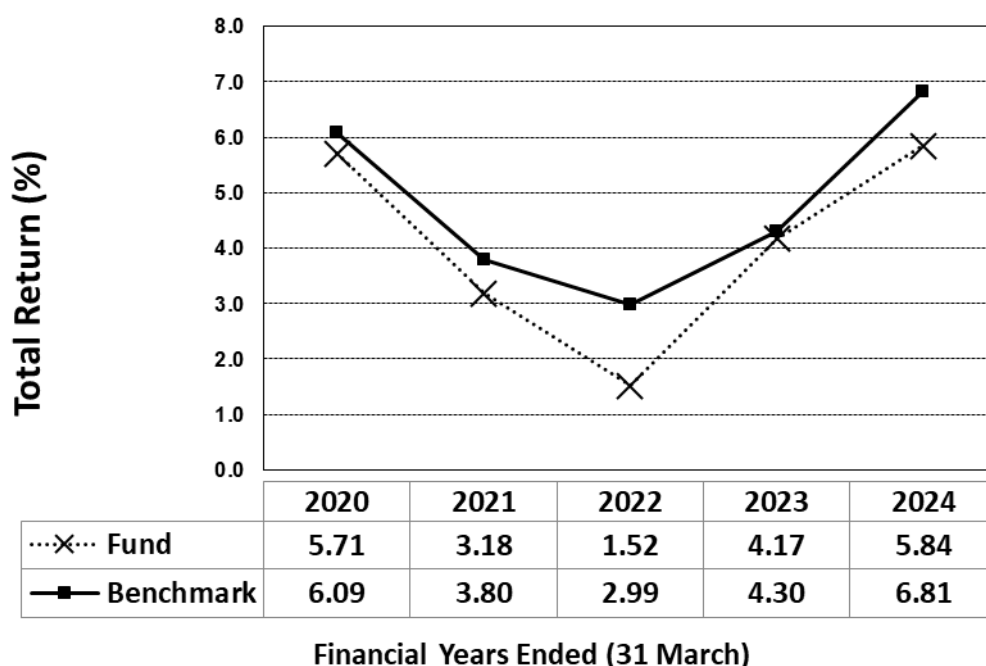
Fund Performance

For the financial year under review, the Fund registered a return of 5.84% comprising of 5.45% capital growth and 0.39% income distribution.

Thus, the Fund’s return of 5.84% has underperformed the benchmark’s return of 6.81% by 0.97%.

As compared with the financial year ended 31 March 2023, the net asset value (“NAV”) per unit of the Fund increased by 5.47% from RM1.2913 to RM1.3619, while units in circulation increased by >100% from 248,284,889 units to 539,311,611 units.

The following line chart shows comparison between the annual performances of AmBond and its benchmark, MMGS/All MGS/ BPAM Corps All Bond Index, for the financial years ended 31 March.



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 year under review, the Fund invested primarily in bonds with the minimum short-term credit rating of P2 and long-term credit rating of BBB3 by RAM or its equivalent as rated by a local or global rating agency.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 March 2024 and 31 March 2023.

	As at 31.03.2024 %	As at 31.03.2023 %	Changes %
Commercial Paper	0.05	-	0.05
Corporate bonds	80.79	91.93	-11.14
Government Investment Issue	3.45	-	3.45
Malaysian Government Securities	8.97	-	8.97
Money market deposits and cash equivalents	6.74	8.07	-1.33
Total	100.00	100.00	

For the financial year under review, exposure to corporate bonds has decreased from 91.93% to 80.79% of its NAV, while holdings in money markets deposits and equivalents decreased from 8.07% to 6.74% of its NAV.

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 year under review.

Distribution/ Unit Splits	<p>During the financial year under review, the Fund declared income distribution, detailed as follows:</p> <table border="1" data-bbox="359 219 1455 353"> <thead> <tr> <th data-bbox="359 219 577 315">Date of distribution</th> <th data-bbox="577 219 874 315">Distribution per unit RM (sen)</th> <th data-bbox="874 219 1177 315">NAV per unit Cum-Distribution (RM)</th> <th data-bbox="1177 219 1455 315">NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="359 315 577 353">22-Sep-23</td> <td data-bbox="577 315 874 353">0.50</td> <td data-bbox="874 315 1177 353">1.3285</td> <td data-bbox="1177 315 1455 353">1.3235</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	22-Sep-23	0.50	1.3285	1.3235
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
22-Sep-23	0.50	1.3285	1.3235						
State of Affairs	<p>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 year under review.</p>								
Rebates and Soft Commission	<p>During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>								
Market Review	<p>The domestic bond market experienced a strong year in 2023. It started the year on a positive note, with significant yield movements came after Bank Negara Malaysia (BNM) surprising the market with a hold on the Overnight Policy Rate (OPR) at 2.75% in January 2023. The market was further supported by concerns over global financial stability stemming from the failures of three United States (US) regional banks and the government-brokered takeover of Credit Suisse by UBS in March 2023. However, the subsequent lack of catalyst in the domestic market sent Malaysia Government Securities (MGS) yields to slowly drift higher as global bond market sentiment weakened when the “higher for longer” narrative in US took center stage again. Finally, Malaysia’s bond market sentiments took a hit when both 10-year and 30-year United States Treasury (UST) briefly touched the 5.00% psychological level, bringing MGS yields to levels observed at the beginning of the year in October 2023. However, the sentiment in the local bond market swiftly shifted to a positive stance in November 2023, buoyed by rally in UST on the back of a slew of underwhelming macro data releases and the Israel-Hamas crisis. Domestic bond market further rallied in December 2023, tracking UST movements which were driven by aggressive pricing for rate cuts in 2024.</p> <p>The domestic bond market kicked start the year 2024 with a sell-off amid profit taking as the MGS yields were 4bps to 17bps higher across the yield curve following the strong year-end rally and cautious move ahead of US economic data announcements. As the US Federal Reserve (Fed) pushed back on dovish market expectations of US rate cuts following the 31 January Federal Open Market Committee (FOMC) meeting, coupled by the strong US jobs data and higher than expected US inflation prints, the local bond market saw some sell-down in MGS in the belly of the curve. Some buying interest returned to ringgit bonds as US rates began to show some signs of stabilization, however not fully reversing the sell-off in the earlier part of February 2024. As market players lack strong conviction amid subdued market sentiment in the US, the domestic bond market was trading in a tight range of 4-9bps during the month of March.</p>								
Market Outlook	<p>After an encouraging start in the first quarter, the rally in the bond market appears to have slowed. With bond yield spreads having compressed and the curve bullish flattened, valuations appear to be rich currently although liquidity has not dissipated on continued demand from local investors.</p> <p>We adopt a more cautious view in the 2nd quarter ahead, paying closer attention to economic data emanating from both the domestic economy and the United States (US) with growing concerns that the US Federal Reserve (Fed) may not start cutting rates as anticipated given the still-elevated inflation and strong labour</p>								

	<p>market in the US. The good news is that recent volatility in the US market has not significantly affected the sentiment in the Malaysian bond market amid strong institutional demand. We expect Bank Negara Malaysia (BNM) to remain on hold with the Overnight Policy Rate (OPR) at 3.0% while inflation continues to stay below the policy rate of 3.0%.</p>
<p>Additional Information</p>	<p>The following information was updated:</p> <ol style="list-style-type: none"> 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. 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. 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. 4) The Eleventh Supplementary Master Prospectus dated 1 March 2024 has been registered with the Securities Commission Malaysia. The issuance of the Eleventh Supplementary Master Prospectus is to update the distribution policy of the Fund. <p>Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 was published on our website at www.aminvest.com and sent to the unit holders on 13 March 2024.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

24 May 2024

Independent auditors' report to the unit holders of AmBond

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmBond (the "Fund"), which comprise the statement of financial position as at 31 March 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 44.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report to the unit holders of AmBond (cont'd.)

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Trustee for the financial statements

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

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

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the unit holders of AmBond (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of
AmBond (cont'd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
24 May 2024

AmBond**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	2024 RM	2023 RM
ASSETS			
Investments	4	684,966,194	294,735,941
Amount due from brokers	5	-	26,331,151
Amount due from Manager	6(a)	4,661,149	1,218,014
Interest receivables		732,327	69,323
Cash at banks		55,280,133	24,514,742
TOTAL ASSETS		<u>745,639,803</u>	<u>346,869,171</u>
LIABILITIES			
Amount due to brokers	5	10,469,764	-
Amount due to Manager	6(b)	645,984	26,076,342
Amount due to Trustee	7	24,313	11,590
Distribution payable		-	143,736
Sundry payables and accruals		19,583	28,362
TOTAL LIABILITIES		<u>11,159,644</u>	<u>26,260,030</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>734,480,159</u>	<u>320,609,141</u>
EQUITY			
Unit holders' capital	9(a)	702,046,370	313,536,295
Retained earnings	9(b)(c)	32,433,789	7,072,846
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>734,480,159</u>	<u>320,609,141</u>
UNITS IN CIRCULATION	9(a)	<u>539,311,611</u>	<u>248,284,889</u>
NAV PER UNIT (RM)		<u>1.3619</u>	<u>1.2913</u>

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

AmBond**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Interest income		19,816,716	15,328,678
Other income		15	-
Net gains from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	8	<u>12,164,189</u>	<u>1,617,781</u>
		<u>31,980,920</u>	<u>16,946,459</u>
EXPENDITURE			
Manager's fee	6	(4,796,786)	(3,587,347)
Trustee's fee	7	(191,871)	(143,494)
Audit fee		(11,000)	(11,000)
Tax agent's fee		(4,100)	(4,100)
Other expenses		<u>(6,718)</u>	<u>(5,435)</u>
		<u>(5,010,475)</u>	<u>(3,751,376)</u>
Net income before taxation		26,970,445	13,195,083
Taxation	11	<u>-</u>	<u>-</u>
Net income after taxation representing total comprehensive income for the financial year		<u>26,970,445</u>	<u>13,195,083</u>
Total comprehensive income comprises the following:			
Realised income		16,723,716	9,184,645
Unrealised gains		<u>10,246,729</u>	<u>4,010,438</u>
		<u>26,970,445</u>	<u>13,195,083</u>
Distributions for the financial year			
Net distributions	12	<u>1,609,502</u>	<u>8,875,927</u>
Gross distributions per unit (sen)	12	<u>0.50</u>	<u>3.28</u>
Net distributions per unit (sen)	12	<u>0.50</u>	<u>3.28</u>

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

AmBond**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 April 2023		313,536,295	7,072,846	320,609,141
Total comprehensive income for the financial year		-	26,970,445	26,970,445
Creation of units	9(a)	485,534,466	-	485,534,466
Reinvestment of distribution	9(a)	1,571,816	-	1,571,816
Cancellation of units	9(a)	(98,596,207)	-	(98,596,207)
Distribution	12	-	(1,609,502)	(1,609,502)
Balance at 31 March 2024		<u>702,046,370</u>	<u>32,433,789</u>	<u>734,480,159</u>
At 1 April 2022		410,925,054	2,753,690	413,678,744
Total comprehensive income for the financial year		-	13,195,083	13,195,083
Creation of units	9(a)	138,701,451	-	138,701,451
Reinvestment of distributions	9(a)	8,626,694	-	8,626,694
Cancellation of units	9(a)	(244,716,904)	-	(244,716,904)
Distributions	12	-	(8,875,927)	(8,875,927)
Balance at 31 March 2023		<u>313,536,295</u>	<u>7,072,846</u>	<u>320,609,141</u>

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

AmBond**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	315,810,199	196,379,927
Purchases of investments	(654,605,906)	(134,792,934)
Interest received	16,684,270	17,061,964
Other income	15	-
Manager's fee paid	(4,477,577)	(3,685,785)
Trustee's fee paid	(179,148)	(146,878)
Tax agent's fee paid	(4,100)	(4,100)
Payments for other expenses	(26,497)	(9,005)
Net cash (used in)/generated from operating and investing activities	<u>(326,798,744)</u>	<u>74,803,189</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	482,091,331	137,483,437
Payments for cancellation of units	(124,345,774)	(221,781,500)
Distribution paid	(181,422)	(213,326)
Net cash generated from/(used in) financing activities	<u>357,564,135</u>	<u>(84,511,389)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	30,765,391	(9,708,200)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	24,514,742	34,222,942
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>55,280,133</u>	<u>24,514,742</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>55,280,133</u>	<u>24,514,742</u>

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

AmBond (the “Fund”) was established pursuant to a Deed dated 17 January 2000 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of providing investors with a consistent stream of income return. As provided in the Deeds, the financial year shall end on 31 March and the units in the Fund were first offered for sale on 20 January 2000.

The financial statements were authorised for issue by the Manager on 24 May 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 (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

Standards effective during the financial year

The adoption of the following MFRS and amendments to MFRS which became effective during the financial year 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</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>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

Standards issued but not yet effective

The 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

Standards issued but not yet effective (cont'd.)

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 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) Interest income

For all interest-bearing financial assets, interest income is calculated using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

3.1 Income recognition (cont'd.)

(ii) Gain or loss on disposal of investments

On disposal of 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 investments. The net realised gain or loss is recognised in profit or loss.

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 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 investments that are readily convertible to cash with insignificant risk of changes in value.

3.5 Distribution

Distribution is 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 interest income, other income and net gain on disposal of 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.

3.6 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").

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

3.7 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.

3.8 Financial assets – classification and subsequent measurement

The classification and subsequent measurement of debt instruments held by the Fund are determined based on their business model and cash flow characteristics.

Business model

The business model reflects how the Fund manages the financial assets in order to generate cash flows. That is, whether the Fund’s objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of “other” business model. Factors considered by the Fund in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

3.8 Financial assets – classification and subsequent measurement (cont'd.)

Cash flow characteristics

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Fund assesses whether the financial assets' contractual cash flows represent solely payment of principal and interest ("SPPI"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

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 ("SPPI 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 SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

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 interest on the principal amount outstanding. Financial assets include in this category are 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 interest on the outstanding principal.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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 FVOCI (cont'd.)

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these 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". Interest earned element of such instrument is recorded in "Interest income".

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.

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 holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest 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 interest 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 YEAR ENDED 31 MARCH 2024**

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

3.11 Derecognition of financial instruments (cont'd.)

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

For 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 investments in local fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd. plus accrued interest, which includes the accretion of discount and amortisation of premium. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between adjusted 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

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 investments as financial assets at FVTPL as the Fund may sell its investments in 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 year.

4. INVESTMENTS

	2024	2023
	RM	RM
Financial assets at FVTPL		
At nominal value:		
Corporate bonds	569,950,000	287,000,000
Government Investment Issue	25,000,000	-
Malaysian Government Securities	64,000,000	-
Commercial Paper	400,000	-
	<u>659,350,000</u>	<u>287,000,000</u>
At fair value:		
Corporate bonds	593,372,985	294,735,941
Government Investment Issue	25,377,780	-
Malaysian Government Securities	65,819,413	-
Commercial Paper	396,016	-
	<u>684,966,194</u>	<u>294,735,941</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows:

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Details of investments as at 31 March 2024 are as follows:						
Corporate bonds						
11.10.2024	Edra Solar Sdn. Bhd.	AA	100,000	102,243	102,014	0.01
01.12.2025	Bank Pembangunan Malaysia Berhad	AAA	5,000,000	5,076,374	5,063,674	0.69
25.05.2026	RHB Bank Berhad	AA	10,000,000	10,191,056	10,149,629	1.39
13.07.2026	CIMB Thai Bank Public Company Limited	AA	15,000,000	15,027,869	15,128,219	2.05
28.08.2026	Mercedes-Benz Services Malaysia Sdn. Bhd.	AAA	15,000,000	15,109,095	15,114,600	2.06
28.08.2026	MTT Shipping Sdn. Bhd.	AA	2,500,000	2,528,769	2,511,419	0.34
30.10.2026	Southern Power Generation Sdn. Bhd.	AA	5,000,000	5,235,866	5,236,626	0.71
11.12.2026	Affin Islamic Bank Berhad	AA	5,000,000	5,093,580	5,062,930	0.69
21.12.2026	MBSB Bank Berhad	A	15,250,000	15,823,782	15,546,387	2.15
05.01.2027	Edra Energy Sdn. Bhd.	AA	5,000,000	5,328,234	5,263,561	0.73
19.03.2027	IJM Land Berhad	A	5,000,000	5,133,304	5,010,204	0.70

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
25.03.2027	Genting RMTN Berhad	AA	5,000,000	5,100,727	5,019,280	0.69
18.06.2027	Pelabuhan Tanjung Pelepas Sdn. Bhd.	AA	5,000,000	5,067,665	5,064,544	0.69
14.10.2027	Hong Leong Bank Berhad	A	10,000,000	10,010,751	10,008,151	1.36
16.11.2027	Dialog Group Berhad	A	15,000,000	15,027,701	15,233,651	2.05
03.12.2027	Sime Darby Property Berhad	AA	10,000,000	9,955,101	10,111,501	1.36
09.12.2027	First Abu Dhabi Bank P.J.S.C.	AA	10,000,000	10,433,553	10,221,479	1.42
12.01.2028	Projek Lebuhraya Usahasama Berhad	AAA	25,000,000	25,805,788	25,764,041	3.51
10.02.2028	AEON Credit Service (M) Berhad	AA	5,000,000	5,008,815	5,055,654	0.68
20.04.2028	UMW Holdings Berhad	AA	37,000,000	40,711,896	40,593,699	5.54
28.04.2028	OSK Rated Bond Sdn. Bhd.	AA	15,000,000	15,561,333	15,557,562	2.12
03.05.2028	UDA Holdings Berhad	AA	1,400,000	1,447,502	1,431,394	0.20
05.05.2028	GENM Capital Berhad	AA	3,300,000	3,430,082	3,367,382	0.47

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
23.06.2028	S P Setia Berhad	AA	10,000,000	10,254,974	10,222,569	1.40
18.09.2028	Press Metal Aluminium Holdings Berhad	AA	5,000,000	5,089,947	5,087,706	0.69
10.10.2028	Affin Islamic Bank Berhad	A	6,500,000	6,769,528	6,657,598	0.92
11.10.2028	Gamuda Land (T12) Sdn. Bhd.	AA	5,000,000	5,210,174	5,186,848	0.71
13.10.2028	Amanat Lebuhraya Rakyat Berhad	AAA	11,500,000	12,251,130	12,166,105	1.67
26.10.2028	Perbadanan Kemajuan Negeri Selangor	AA	15,000,000	15,775,373	15,612,642	2.15
03.11.2028	AmBank (M) Berhad*	AA	5,000,000	5,191,393	5,093,493	0.71
17.11.2028	RHB Bank Berhad	AA	20,000,000	20,788,800	20,440,033	2.83
30.11.2028	CIMB Islamic Bank Berhad	AAA	7,500,000	7,657,476	7,601,601	1.04
01.12.2028	AEON Credit Service (M) Berhad	AA	5,000,000	5,175,020	5,086,793	0.70
01.12.2028	Bank Pembangunan Malaysia Berhad	AAA	5,000,000	5,112,134	5,067,184	0.70

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
31.01.2029	Malayan Banking Berhad	AA	15,000,000	15,168,376	15,101,026	2.06
16.03.2029	Tanjung Bin Energy Sdn. Bhd.	AA	5,000,000	5,177,665	5,601,368	0.70
21.03.2029	OSK Rated Bond Sdn. Bhd.	AA	20,000,000	20,042,469	20,023,868	2.73
27.03.2029	CIMB Islamic Bank Berhad	AAA	10,000,000	10,005,288	10,005,288	1.36
06.04.2029	MMC Port Holdings Sdn. Bhd.	AA	5,000,000	5,249,912	5,237,445	0.71
29.06.2029	PONSB Capital Berhad	AA	2,500,000	2,678,813	2,534,188	0.36
30.11.2029	MMC Corporation Berhad	AA	5,000,000	5,427,136	5,102,723	0.74
12.12.2029	DRB-HICOM Berhad	A	7,400,000	7,595,061	7,563,903	1.03
21.06.2030	S P Setia Berhad	AA	5,000,000	5,205,392	5,205,255	0.71
28.06.2030	Gamuda Berhad	AA	2,000,000	2,039,018	2,026,930	0.28
05.07.2030	Johor Corporation	AAA	4,000,000	4,168,444	4,040,964	0.57
29.11.2030	CIMB Islamic Bank Berhad	AAA	5,000,000	5,160,171	5,072,621	0.70

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
27.03.2031	CIMB Islamic Bank Berhad	AAA	10,000,000	10,005,421	10,005,521	1.36
11.08.2031	Bakun Hydro Power Generation Sdn. Bhd.	AAA	5,000,000	5,252,357	5,255,527	0.72
16.01.2032	Perbadanan Kemajuan Negeri Selangor	AA	5,000,000	5,201,772	5,163,552	0.71
02.03.2032	Bank Pembangunan Malaysia Berhad	AAA	5,000,000	5,346,304	5,342,543	0.73
13.10.2032	Amanat Lebuhraya Rakyat Berhad	AAA	5,000,000	5,564,095	5,546,946	0.76
12.01.2033	Projek Lebuhraya Usahasama Berhad	AAA	10,000,000	10,691,249	10,692,981	1.46
29.03.2033	TNB Power Generation Sdn. Bhd.	AAA	10,000,000	10,469,764	10,469,292	1.43
17.06.2033	Hong Leong Bank Berhad	AA	5,000,000	5,106,886	5,059,836	0.70
26.10.2033	SMJ Sdn. Bhd.	AAA	2,500,000	2,652,482	2,549,132	0.36
08.02.2034	United Overseas Bank (Malaysia) Bhd.	AA	30,000,000	30,233,782	30,174,682	4.12

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
23.06.2034	YTL Corporation Berhad	AA	35,000,000	36,807,563	35,638,576	5.01
10.07.2035	Prasarana Malaysia Berhad	NR**	5,000,000	4,868,139	5,209,534	0.66
11.11.2036	YTL Corporation Berhad	AA	10,000,000	11,135,923	10,262,038	1.52
12.01.2037	Projek Lebuhraya Usahasama Berhad	AAA	5,000,000	5,913,464	5,467,846	0.81
02.06.2037	TNB Power Generation Sdn. Bhd.	AAA	1,500,000	1,677,352	1,524,697	0.23
30.06.2037	Tenaga Nasional Berhad	AAA	5,000,000	5,695,795	5,067,345	0.77
02.06.2042	TNB Power Generation Sdn. Bhd.	AAA	2,000,000	2,302,647	2,033,907	0.31
30.06.2042	Tenaga Nasional Berhad	AAA	10,000,000	11,749,338	10,901,199	1.60
06.10.2042	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	3,000,000	3,293,872	3,111,631	0.45
Total corporate bonds			569,950,000	593,372,985	586,832,537	80.79

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Government Investment Issue						
30.09.2026	Government of Malaysia	NR**	25,000,000	25,377,780	25,283,549	3.45
Total Government Investment Issue			25,000,000	25,377,780	25,283,549	3.45
Malaysian Government Securities						
15.07.2026	Government of Malaysia	NR**	20,000,000	20,383,054	20,266,484	2.78
31.05.2027	Government of Malaysia	NR**	20,000,000	20,238,380	20,245,135	2.76
31.07.2028	Government of Malaysia	NR**	10,000,000	10,062,313	10,028,712	1.37
07.11.2033	Government of Malaysia	NR**	14,000,000	15,135,666	15,135,538	2.06
Total Malaysian Government Securities			64,000,000	65,819,413	65,675,869	8.97
Commercial Paper						
12.07.2024	Hong Leong Islamic Bank Berhad	P1	400,000	396,016	395,864	0.05
Total Commercial Paper			400,000	396,016	395,864	0.05
Total financial assets at FVTPL			659,350,000	684,966,194	678,187,819	93.26
Excess of fair value over adjusted cost				6,778,375		

* Financial institution related to the Manager.

** Non-rated

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. INVESTMENTS (CONT'D.)

The weighted average effective yield on investments are as follows:

	Effective yield	
	2024	2023
	%	%
Corporate bonds	4.09	4.72
Government Investment Issue	3.44	-
Malaysian Government Securities	3.56	-
Commercial Paper	3.56	-

Analysis of the remaining maturities of investments as at 31 March 2024 and 31 March 2023 are as follows:

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
2024			
At nominal value:			
Corporate bonds	100,000	369,950,000	199,900,000
Government Investment Issue	-	25,000,000	-
Malaysian Government Securities	-	50,000,000	14,000,000
Commercial Paper	400,000	-	-
2023			
At nominal value:			
Corporate bonds	-	118,600,000	168,400,000

5. AMOUNT DUE FROM/TO BROKERS

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

6. AMOUNT DUE FROM/TO MANAGER

	Note	2024 RM	2023 RM
(a) Due from Manager			
Creation of units	(i)	4,661,149	1,218,014
(b) Due to Manager			
Cancellation of units	(ii)	-	25,749,567
Manager's fee payable	(iii)	645,984	326,775
		645,984	26,076,342

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. AMOUNT DUE FROM/TO MANAGER (CONT'D.)

- (i) This represents amount receivable from the Manager for units created.
- (ii) This represents amount payable to the Manager for units cancelled.

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

- (iii) Manager's fee is at a rate of 1.00% (2023: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis.

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

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2023: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis.

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

8. NET GAINS FROM INVESTMENTS

	2024 RM	2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	1,917,460	(2,392,657)
– Net unrealised gains on changes in fair value of investments	10,246,729	4,010,438
	<u>12,164,189</u>	<u>1,617,781</u>

9. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	702,046,370	313,536,295
Retained earnings			
– Realised income	(b)	25,655,414	10,541,200
– Unrealised gain/(loss)	(c)	6,778,375	(3,468,354)
		<u>734,480,159</u>	<u>320,609,141</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

9. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/units in circulation

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	248,284,889	313,536,295	325,333,139	410,925,054
Creation during the financial year	364,932,099	485,534,466	108,353,880	138,701,451
Reinvestment of distribution	1,187,621	1,571,816	6,748,627	8,626,694
Cancellation during the financial year	(75,092,998)	(98,596,207)	(192,150,757)	(244,716,904)
At end of the financial year	<u>539,311,611</u>	<u>702,046,370</u>	<u>248,284,889</u>	<u>313,536,295</u>

(b) Realised – distributable

	2024 RM	2023 RM
At beginning of the financial year	10,541,200	10,232,482
Net realised income for the financial year	16,723,716	9,184,645
Distributions out of realised income (Note 12)	<u>(1,609,502)</u>	<u>(8,875,927)</u>
At end of the financial year	<u>25,655,414</u>	<u>10,541,200</u>

(c) Unrealised – non-distributable

	2024 RM	2023 RM
At beginning of the financial year	(3,468,354)	(7,478,792)
Net unrealised gains for the financial year	10,246,729	4,010,438
At end of the financial year	<u>6,778,375</u>	<u>(3,468,354)</u>

10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties

AmFunds Management Berhad
AmInvestment Bank Berhad
AMMB Holdings Berhad ("AMMB")
Subsidiaries and associates of AMMB as disclosed in its financial statements

Relationships

The Manager
Holding company of the Manager
Ultimate holding company of the Manager
Subsidiaries and associate companies of the ultimate holding company of the Manager

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONT'D.)

There are no units held by the Manager or any related party as at 31 March 2024 and 31 March 2023.

Other than those disclosed elsewhere in the financial statements, the significant related party balance as at reporting date is as follows:

	2024	2023
	RM	RM
Significant related party balance		
<u>AmBank (M) Berhad</u>		
Cash at bank	<u>55,280,133</u>	<u>24,514,742</u>

11. TAXATION

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

A reconciliation of income tax expense applicable to net 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:

	2024	2023
	RM	RM
Net income before taxation	<u>26,970,445</u>	<u>13,195,083</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	6,472,907	3,166,820
Tax effects of:		
Income not subject to tax	(7,675,421)	(4,646,908)
Losses not allowed for tax deduction	-	579,758
Restriction on tax deductible expenses for unit trust fund	1,038,482	777,243
Non-permitted expenses for tax purposes	48,645	36,727
Permitted expenses not used and not available for future financial years	<u>115,387</u>	<u>86,360</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. DISTRIBUTIONS

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

	2024	2023
	RM	RM
Gross distributions per unit (sen)	0.50	3.28
Net distributions per unit (sen)	0.50	3.28

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
Financial year ended 31 March 2024			
22 September 2023	0.50	0.50	1,609,502
Financial year ended 31 March 2023			
19 September 2022	1.39	1.39	3,894,407
27 March 2023	1.89	1.89	4,981,520
	3.28	3.28	8,875,927

	2024	2023
	RM	RM
Total amount available for distributions	25,655,414	10,541,200

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.

13. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	2024	2023
	% p.a.	% p.a.
Manager’s fee	1.00	1.00
Trustee’s fee	0.04	0.04
Fund’s other expenses	-*	0.01
Total TER	1.04	1.05

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. TOTAL EXPENSE RATIO (“TER”) (CONT’D.)

* represents less than 0.01%

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.

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 1.00 times (2023: 0.49 times).

15. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s investments are made in the form of fixed income securities and money market instruments in Malaysia. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business or geographical segments.

16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 March 2024 are as follows:

	Transaction value	
	RM	%
AmBank (M) Berhad*	249,861,865	25.98
CIMB Bank Berhad	241,827,780	25.15
RHB Investment Bank Berhad	88,811,233	9.24
United Overseas Bank (Malaysia) Bhd	71,790,549	7.47
HSBC Bank Malaysia Berhad	37,901,640	3.94
Hong Leong Bank Berhad	37,742,388	3.92
CIMB Islamic Bank Berhad	35,490,875	3.69
Malayan Banking Berhad	32,762,088	3.41
Standard Chartered Bank Malaysia Berhad	30,956,446	3.22
Hong Leong Investment Bank Berhad	30,243,055	3.14
Other brokers#	104,210,170	10.84
Total	<u>961,598,089</u>	<u>100.00</u>

* A financial institution related to the Manager.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

16. TRANSACTIONS WITH BROKERS (CONT'D.)

Included in the category of other brokers are transactions amounting to RM21,021,303 and RM15,000,000 with a related parties, AmBank Islamic Berhad and AmInvestment Bank Berhad.

The Manager is of the opinion that the above transactions have been entered into 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 fixed income instruments. Transactions in these investments do not involve any commission or brokerage fee.

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2024				
Financial assets				
Investments	684,966,194	-	-	684,966,194
Amount due from Manager	-	4,661,149	-	4,661,149
Interest receivables	-	732,327	-	732,327
Cash at banks	-	55,280,133	-	55,280,133
Total financial assets	<u>684,966,194</u>	<u>60,673,609</u>	<u>-</u>	<u>745,639,803</u>
Financial liabilities				
Amount due to brokers	-	-	10,469,764	10,469,764
Amount due to Manager	-	-	645,984	645,984
Amount due to Trustee	-	-	24,313	24,313
Total financial liabilities	<u>-</u>	<u>-</u>	<u>11,140,061</u>	<u>11,140,061</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

17. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2023				
Financial assets				
Investments	294,735,941	-	-	294,735,941
Amount due from brokers	-	26,331,151	-	26,331,151
Amount due from Manager	-	1,218,014	-	1,218,014
Interest receivables	-	69,323	-	69,323
Cash at banks	-	24,514,742	-	24,514,742
Total financial assets	<u>294,735,941</u>	<u>52,133,230</u>	<u>-</u>	<u>346,869,171</u>
Financial liabilities				
Amount due to Manager	-	-	26,076,342	26,076,342
Amount due to Trustee	-	-	11,590	11,590
Distribution payable	-	-	143,736	143,736
Total financial liabilities	<u>-</u>	<u>-</u>	<u>26,231,668</u>	<u>26,231,668</u>
Income, expenses, gains and losses				
2024				
2023				
RM				
RM				
Net gains from financial assets at FVTPL			12,164,189	1,617,781
Income, of which derived from:				
- Interest income from financial assets at FVTPL			17,791,096	14,665,495
- Interest income from financial assets at amortised cost			2,025,620	663,183
- Other income			<u>15</u>	<u>-</u>

(b) Financial instruments that are carried at fair value

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable; either directly or indirectly; or
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

17. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value (cont'd.)

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial assets at FVTPL	-	684,966,194	-	684,966,194
	<u>-</u>	<u>684,966,194</u>	<u>-</u>	<u>684,966,194</u>
2023				
Financial assets at FVTPL	-	294,735,941	-	294,735,941
	<u>-</u>	<u>294,735,941</u>	<u>-</u>	<u>294,735,941</u>

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Amount due from/to brokers
- Amount due from/to Manager
- Interest receivables
- Cash at banks
- Amount due to Trustee
- Distribution payable

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

18. 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, management risk and non-compliance risk.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

(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) Interest rate risk

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic interest rates on deposits and placements with licensed financial institution are determined based on prevailing market rates.

The result below summarised the interest rate sensitivity of the Fund's NAV, or theoretical value due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2024 RM	2023 RM
+100 bps	(30,451,429)	(16,016,254)
-100 bps	32,232,538	17,984,308
	<u>32,232,538</u>	<u>17,984,308</u>

(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. The Fund can invest up to 100% of the NAV in fixed income instruments. As such the Fund would be exposed to the risk of bond issuers and licensed financial institutions defaulting on its repayment obligations which in turn would affect the NAV of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

(b) Credit risk (cont'd.)

(i) Credit quality of financial assets

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 March 2024 and 31 March 2023:

Credit rating	RM	As a % of debt securities	As a % of NAV
2024			
AAA	167,666,168	24.48	22.84
AA	360,478,551	52.63	49.08
A	60,360,127	8.81	8.21
P1	396,016	0.06	0.05
NR	96,065,332	14.02	13.08
	<u>684,966,194</u>	<u>100.00</u>	<u>93.26</u>
2023			
AAA	48,221,915	16.36	15.05
AA	190,350,651	64.58	59.36
A	51,430,374	17.45	16.04
NR	4,733,001	1.61	1.48
	<u>294,735,941</u>	<u>100.00</u>	<u>91.93</u>

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

(ii) Credit risk concentration

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 March 2024 and 31 March 2023:

Sector	RM	As a % of debt securities	As a % of NAV
2024			
Basic materials	5,089,947	0.74	0.69
Consumer discretionary	59,516,579	8.69	8.10
Energy and utilities	121,908,802	17.80	16.60
Financial services	223,891,470	32.69	30.48
Industrials	2,039,018	0.30	0.28
Public administration	95,365,637	13.92	12.99
Real estate	93,787,394	13.69	12.77
Transportation and storage	83,367,347	12.17	11.35
	<u>684,966,194</u>	<u>100.00</u>	<u>93.26</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

(b) Credit risk (cont'd.)

(ii) Credit risk concentration (cont'd.)

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 March 2024 and 31 March 2023: (cont'd.)

Sector	RM	As a % of debt securities	As a % of NAV
2023			
Construction and engineering	7,215,080	2.45	2.25
Diversified holdings	96,948,533	32.89	30.24
Financial services	54,100,908	18.36	16.87
Industrial products	2,888,798	0.98	0.90
Infrastructures and utilities	58,703,993	19.92	18.31
Mining and petroleum	14,892,045	5.05	4.64
Plantation and agriculture	10,383,184	3.52	3.24
Property and real estate	19,840,245	6.73	6.19
Trading and services	25,030,154	8.49	7.81
Transportation	4,733,001	1.61	1.48
	<u>294,735,941</u>	<u>100.00</u>	<u>91.93</u>

There is no geographical risk as the Fund invests only in investments in Malaysia.

(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 assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund:

	Contractual cash flows (undiscounted)					
	0 – 1	1 – 2	2 – 3	3 – 4	4 – 5	More than
	year	years	years	years	years	5 years
	RM	RM	RM	RM	RM	RM
2024						
Financial assets						
Investments	30,917,942	34,803,175	155,642,171	123,397,437	230,231,271	264,668,726
Amount due to Manager	4,661,149	-	-	-	-	-
Interest receivables	732,327	-	-	-	-	-
Cash at banks	55,280,133	-	-	-	-	-
Total financial assets	91,591,551	34,803,175	155,642,171	123,397,437	230,231,271	264,668,726
Financial liabilities						
Amount due to brokers	10,469,764	-	-	-	-	-
Amount due to Manager	645,984	-	-	-	-	-
Amount due to Trustee	24,313	-	-	-	-	-
Total financial liabilities	11,140,061	-	-	-	-	-

AmBond

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund: (cont'd.)

	Contractual cash flows (undiscounted)					
	0 – 1	1 – 2	2 – 3	3 – 4	4 – 5	More than
	year	years	years	years	years	5 years
	RM	RM	RM	RM	RM	RM
2023						
Financial assets						
Investments	14,304,047	14,668,583	24,257,444	81,227,135	50,483,813	212,761,344
Amount due from brokers	26,331,151	-	-	-	-	-
Amount due from Manager	1,218,014	-	-	-	-	-
Interest receivables	69,323	-	-	-	-	-
Cash at banks	24,514,742	-	-	-	-	-
Total financial assets	66,437,277	14,668,583	24,257,444	81,227,135	50,483,813	212,761,344
Financial liabilities						
Amount due to Manager	26,076,342	-	-	-	-	-
Amount due to Trustee	11,590	-	-	-	-	-
Distribution payable	143,736	-	-	-	-	-
Total financial liabilities	26,231,668	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

(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) Management risk

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

(g) Non-compliance risk

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

19. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unit holders' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units or make distribution payment.

No changes were made in the objective, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

AmBond

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 and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmBond (the “Fund”) as at 31 March 2024 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

24 May 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMBOND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 March 2024 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 year covered by these financial statements in accordance with the following:

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

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
24 May 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.)*

