

Semi-Annual Report for

# AmBond

30 September 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

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

### **Board of Directors**

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

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

HSBC (Malaysia) Trustee Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

## **CONTENTS**

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

## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmBond ("Fund") for the financial period from 1 April 2024 to 30 September 2024.

### Salient Information of the Fund

<b>Name</b>	AmBond ("Fund")
<b>Category/ Type</b>	Bond / Income
<b>Objective</b>	AmBond is a medium to long-term** bond fund that aims to provide you with a stream of income*.  <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.
<b>Duration</b>	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.
<b>Performance Benchmark</b>	BPAM Corporates All Bond Index ("BPAM Corps All Bond Index") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )  <i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i>
<b>Income Distribution Policy</b>	Subject to the availability of income, distribution will be made at least twice every year.

### Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 30 September 2024 and for the past three financial years are as follows:				
		<b>As at 30.09.2024 %</b>	<b>As at 31 March</b>		
			<b>2024 %</b>	<b>2023 %</b>	<b>2022 %</b>
	Commercial Paper	-	0.05	-	-
	Corporate bonds	81.36	80.79	91.93	91.20
	Government Investment Issue	2.90	3.45	-	-
	Malaysian Government Securities	10.77	8.97	-	-
	Money market deposits and cash equivalents	4.97	6.74	8.07	8.80
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>					

**Performance Details**

Performance details of the Fund for the financial period ended 30 September 2024 and three financial years ended 31 March are as follows:

	<b>FPE 30.09.2024</b>	<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
Net asset value (RM)	715,640,133	734,480,159	320,609,141	413,678,744
Units in circulation	519,441,455	539,311,611	248,284,889	325,333,139
Net asset value per unit (RM)	1.3777	1.3619	1.2913	1.2716
Highest net asset value per unit (RM)	1.3777	1.3619	1.3060	1.3152
Lowest net asset value per unit (RM)	1.3521	1.2917	1.2415	1.2701
Benchmark performance (%)	2.52	6.81	4.30	2.99
Total return (%) <sup>(1)</sup>	2.08	5.84	4.17	1.52
- Capital growth (%)	1.20	5.45	1.59	-0.82
- Income distributions (%)	0.88	0.39	2.58	2.34
Gross distributions (sen per unit)	1.1942	0.5000	3.2800	3.0000
Net distributions (sen per unit)	1.1942	0.5000	3.2800	3.0000
Total expense ratio (%) <sup>(2)</sup>	0.52	1.04	1.05	1.04
Portfolio turnover ratio (times) <sup>(3)</sup>	0.49	1.00	0.49	0.63

Note:

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

**Average Total Return (as at 30 September 2024)**

	<b>AmBond<sup>(a)</sup> %</b>	<b>BPAM Corps All Bond Index %</b>
One year	4.93	6.24
Three years	3.92	4.53
Five years	3.27	4.19
Ten years	4.46	4.96

**Annual Total Return**

<b>Financial Years Ended (31 March)</b>	<b>AmBond<sup>(a)</sup> %</b>	<b>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](http://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.**

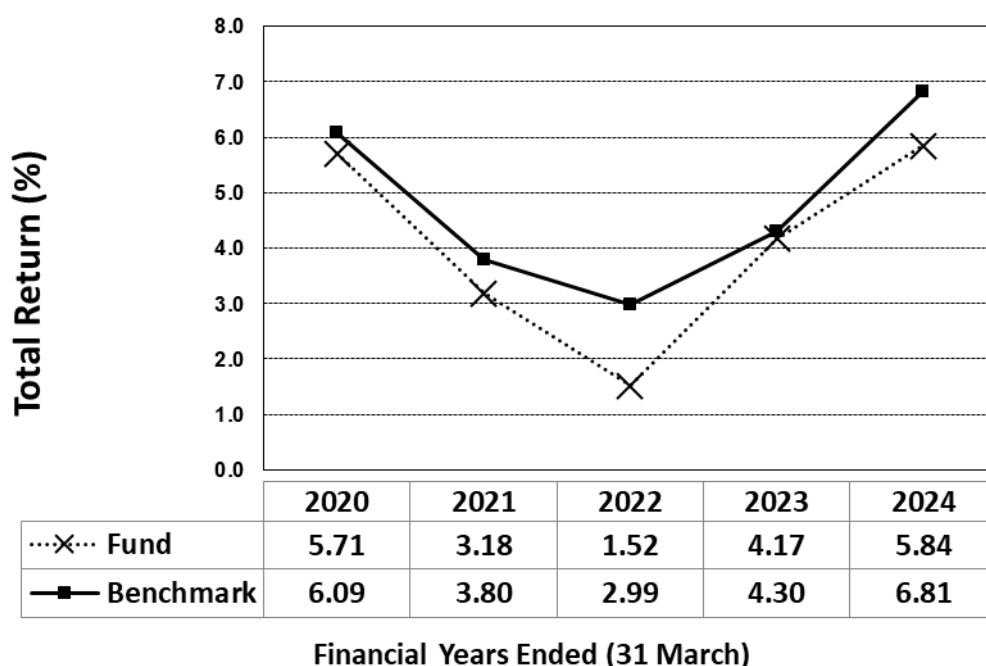
**Fund Performance**

For the financial period under review, the Fund registered a return of 2.08% comprising of 1.20% capital growth and 0.88% income distribution.

Thus, the Fund’s return of 2.08% has underperformed the benchmark’s return of 2.52% by 0.44%.

As compared with the financial year ended 31 March 2024, the net asset value (“NAV”) per unit of the Fund increased by 1.16% from RM1.3619 to RM1.3777, while units in circulation decreased by 3.68% from 539,311,611 units to 519,441,455 units.

The following line chart shows comparison between the annual performances of AmBond and its benchmark, 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 period 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 30 September 2024 and 31 March 2024.

	As at 30.09.2024 %	As at 31.03.2024 %	Changes %
Commercial Paper	-	0.05	-0.05
Corporate bonds	81.36	80.79	0.57
Government Investment Issue	2.90	3.45	-0.55
Malaysian Government Securities	10.77	8.97	1.80
Money market deposits and cash equivalents	4.97	6.74	-1.77
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

For the financial period under review, the Fund is 81.36% invested in corporate bonds, 13.67% in government securities, with the remaining 4.97% in money markets deposits and equivalents.

**Securities Lending / Repurchase Transactions**

The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

**Cross Trade**

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

<b>Distribution/ Unit Splits</b>	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <table border="1" data-bbox="359 219 1452 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 1452 315">NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="359 315 577 353">15-May-24</td> <td data-bbox="577 315 874 353">1.1942</td> <td data-bbox="874 315 1177 353">1.3640</td> <td data-bbox="1177 315 1452 353">1.3521</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	15-May-24	1.1942	1.3640	1.3521
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
15-May-24	1.1942	1.3640	1.3521						
<b>State of Affairs</b>	<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 period under review.</p>								
<b>Rebates and Soft Commission</b>	<p>During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>								
<b>Market Review</b>	<p>In the second quarter, the Malaysian bond market initially weakened in April due to a sell-off in United States Treasuries (UST) as sticky inflation and a resilient labor market have given more reasons for the United States (US) Federal Reserve (Fed) to stand pat on key rates. Apart from that, thin market liquidity and rising geopolitical risk in the Middle East also dented local bond market sentiment. However, in May, the Malaysian bond market strengthened driven primarily by lower-than-expected US Job data released at the beginning of the month and dovish tone from the US Fed in its post- Federal Open Market Committee (FOMC) meeting speech. As investors were adjusting their view that the US Fed is not in a rush to cut rates, local bonds weakened slightly towards end of the month but strengthened again in June, reflecting similar movements in the UST as the US economic data showed some signs of moderating inflation.</p> <p>In the third quarter, Malaysian bond market sentiment lifted in July by bullish movement in UST on continued disinflation and signs of a tight labour market. Strong foreign inflows over the month also send Ringgit bond yield tumbled with net foreign buying accelerated to MYR7.8b in July, the highest in 12 months. Moving towards August, Malaysian bond market weakened slightly over the month despite UST continued to rally amid heighten expectation of imminent rate cut by US Fed at its upcoming meeting in September. Much of the movement in the local bond market was driven by profit taking activities towards the end of the month given rich valuation of government bond coupled with absence of local catalyst. By the end of the quarter, Malaysian Government Securities (MGS) yield fell across the curve in tandem with rally seen in UST after US Fed announced a 50bps cut (first reduction since March 2020) to its benchmark interest rate while Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% as widely expected.</p>								
<b>Market Outlook</b>	<p>With the United States (US) Federal Reserve (Fed) initiating a rate-cutting cycle, we anticipate increased foreign inflows into the domestic bond market, driven by expectations of currency appreciation. Bond yields are likely to remain well-supported, with any corrections expected to be short-lived due to strong demand and liquidity.</p> <p>Despite the domestic bond market rallying since the start of the year, we maintain a positive outlook as we enter into the 4th quarter of 2024. Strong market liquidity and sustained demand for bonds, coupled with an extended pause in the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM), support this bullish sentiment.</p>								



	We maintain an overweight position on portfolio duration relative to the benchmark. In terms of security selection, we will overweight corporate bonds over government bonds for additional yield.
--	--

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 November 2024

**AmBond****STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024**

		<b>30.09.2024</b>	<b>31.03.2024</b>
		<b>(unaudited)</b>	<b>(audited)</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
Investments	4	680,038,002	684,966,194
Amount due from Manager	5(a)	3,167,875	4,661,149
Interest receivables		12,516	732,327
Cash at banks		33,109,653	55,280,133
<b>TOTAL ASSETS</b>		<b>716,328,046</b>	<b>745,639,803</b>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	647,712	645,984
Amount due to brokers	6	-	10,469,764
Amount due to Trustee	7	23,540	24,313
Sundry payables and accruals		16,661	19,583
<b>TOTAL LIABILITIES</b>		<b>687,913</b>	<b>11,159,644</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>715,640,133</b>	<b>734,480,159</b>
<b>EQUITY</b>			
Unit holders' capital	9(a)	674,608,132	702,046,370
Retained earnings	9(b)(c)	41,032,001	32,433,789
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<b>715,640,133</b>	<b>734,480,159</b>
<b>UNITS IN CIRCULATION</b>	9(a)	<b>519,441,455</b>	<b>539,311,611</b>
<b>NAV PER UNIT (RM)</b>		<b>1.3777</b>	<b>1.3619</b>

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

**AmBond****STATEMENT OF COMPREHENSIVE INCOME (Unaudited)  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

		<b>01.04.2024 to 30.09.2024</b>	<b>01.04.2023 to 30.09.2023</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>INVESTMENT INCOME</b>			
Interest income		15,400,935	7,785,848
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	<u>3,854,406</u>	<u>4,357,497</u>
		<u>19,255,341</u>	<u>12,143,345</u>
<b>EXPENDITURE</b>			
Management fee	5	(3,757,571)	(1,819,290)
Trustee’s fee	7	(150,303)	(72,771)
Audit fee		(5,520)	(5,500)
Tax agent’s fees		(2,055)	(2,050)
Other expenses		<u>(3,407)</u>	<u>(3,660)</u>
		<u>(3,918,856)</u>	<u>(1,903,271)</u>
<b>Net income before taxation</b>		15,336,485	10,240,074
<b>Taxation</b>	11	<u>-</u>	<u>-</u>
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>15,336,485</u>	<u>10,240,074</u>
Total comprehensive income comprises the following:			
Realised income		13,419,897	6,839,689
Unrealised gains		<u>1,916,588</u>	<u>3,400,385</u>
		<u>15,336,485</u>	<u>10,240,074</u>
<b>Distribution for the financial period</b>			
Net distribution	12	<u>6,738,273</u>	<u>1,609,502</u>
Gross distribution per unit (sen)	12	<u>1.1942</u>	<u>0.5000</u>
Net distribution per unit (sen)	12	<u>1.1942</u>	<u>0.5000</u>

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

**AmBond****STATEMENT OF CHANGES IN EQUITY (Unaudited)  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

	<b>Note</b>	<b>Unit holders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total RM</b>
At 1 April 2024		702,046,370	32,433,789	734,480,159
Total comprehensive income for the financial period		-	15,336,485	15,336,485
Creation of units	9(a)	99,888,844	-	99,888,844
Reinvestment of distribution	9(a)	6,647,385	-	6,647,385
Cancellation of units	9(a)	(133,974,467)	-	(133,974,467)
Distribution	12	-	(6,738,273)	(6,738,273)
Balance at 30 September 2024		<u>674,608,132</u>	<u>41,032,001</u>	<u>715,640,133</u>
At 1 April 2023		313,536,295	7,072,846	320,609,141
Total comprehensive income for the financial period		-	10,240,074	10,240,074
Creation of units		198,808,914	-	198,808,914
Reinvestment of distribution		1,571,816	-	1,571,816
Cancellation of units		(94,874,621)	-	(94,874,621)
Distribution		-	(1,609,502)	(1,609,502)
Balance at 30 September 2023		<u>419,042,404</u>	<u>15,703,418</u>	<u>434,745,822</u>

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

**AmBond****STATEMENT OF CASH FLOWS (Unaudited)  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

	<b>01.04.2024 to 30.09.2024</b>	<b>01.04.2023 to 30.09.2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	364,315,655	157,798,311
Purchases of investments	(367,752,614)	(204,906,960)
Interest received	17,870,539	7,389,564
Management fee paid	(3,755,843)	(1,763,892)
Trustee's fee paid	(151,076)	(70,413)
Payments for other expenses	(13,904)	(21,963)
Net cash generated from/(used in) operating and investing activities	<u>10,512,757</u>	<u>(41,575,353)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	101,382,118	193,299,215
Payments for cancellation of units	(133,974,467)	(120,624,188)
Distribution paid	(90,888)	(143,736)
Net cash (used in)/generated from financing activities	<u>(32,683,237)</u>	<u>72,531,291</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(22,170,480)</b>	<b>30,955,938</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>55,280,133</b>	<b>24,514,742</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>33,109,653</u></b>	<b><u>55,470,680</u></b>
Cash and cash equivalents comprise:		
Cash at banks	<u>33,109,653</u>	<u>55,470,680</u>

## AmBond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 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 19 November 2024.

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

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

##### Standards effective during the financial year

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

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
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

##### Standards issued but not yet effective

The new and amended 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.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

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

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	
Amendments to MFRS 9 <i>Financial Instruments</i>	
Amendments to MFRS 10 <i>Consolidated Financial Statements*</i>	
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

**3. SUMMARY OF ACCOUNTING POLICIES**

**3.1 Income recognition**

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

(i) 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 PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 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 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

**3.6 Unit holders' capital**

The unit holders' capital of the Fund meets the definition of puttable instruments and are classified as equity instruments as it meets all criteria for such classification under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

**3.7 Financial instrument – 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

**3.8 Financial assets (cont'd.)**

Classification and measurement (cont'd.)

*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.

*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.

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 PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

**3.8 Financial assets (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.

**3.9 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

**3.10 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.

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.

**3.11 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

**3.12 Determination of fair value**

For investments in 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.

**3.13 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.

**3.14 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 the short-term for profit-taking or to meet unit holders' cancellation of units.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**4. INVESTMENTS**

	<b>30.09.2024</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
At nominal value:		
Corporate bonds	560,850,000	569,950,000
Government Investment Issue	20,000,000	25,000,000
Malaysian Government Securities	74,000,000	64,000,000
Commercial Paper	-	400,000
	<u>654,850,000</u>	<u>659,350,000</u>
At fair value:		
Corporate bonds	582,209,655	593,372,985
Government Investment Issue	20,741,939	25,377,780
Malaysian Government Securities	77,086,408	65,819,413
Commercial Paper	-	396,016
	<u>680,038,002</u>	<u>684,966,194</u>

Details of investments as at 30 September 2024 are as follows:

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Corporate bonds</b>					
21.10.2025	Bank Islam Malaysia Berhad	5,000,000	5,080,947	5,042,847	0.71
28.08.2026	Mercedes-Benz Malaysia Sdn. Bhd.	15,000,000	15,106,518	15,103,563	2.11
21.12.2026	MBSB Bank Berhad	15,250,000	15,869,685	15,542,557	2.22
05.01.2027	Edra Energy Sdn. Bhd.	5,000,000	5,297,894	5,231,008	0.74
18.06.2027	Pelabuhan Tanjung Pelepas Sdn. Bhd.	5,000,000	5,082,265	5,063,369	0.71
09.12.2027	First Abu Dhabi Bank P.J.S.C.	10,000,000	10,407,755	10,213,136	1.45

## AmBond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024

#### 4. INVESTMENTS (CONT'D.)

Details of investments as at 30 September 2024 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Corporate bonds (cont'd.)</b>					
12.01.2028	Projek Lebuhraya Usahasama Berhad	25,000,000	25,806,579	25,702,176	3.61
28.04.2028	OSK Rated Bond Sdn. Bhd.	15,000,000	15,556,383	15,525,465	2.17
03.05.2028	UDA Holdings Berhad	1,400,000	1,453,897	1,431,298	0.20
05.05.2028	GENM Capital Berhad	3,300,000	3,439,220	3,367,841	0.48
19.06.2028	Hong Leong Bank Berhad	5,000,000	5,116,686	5,059,836	0.71
23.06.2028	S P Setia Berhad	10,000,000	10,313,814	10,277,806	1.44
18.09.2028	Press Metal Aluminium Holdings Berhad	5,000,000	5,085,707	5,078,881	0.71
13.10.2028	Amanat Lebuhraya Rakyat Berhad	1,500,000	1,598,233	1,588,201	0.22
03.11.2028	AmBank (M) Berhad*	5,000,000	5,201,616	5,094,116	0.73
17.11.2028	RHB Bank Berhad	20,000,000	20,715,800	20,431,065	2.89
30.11.2028	CIMB Islamic Bank Berhad	7,500,000	7,655,002	7,602,427	1.07
01.12.2028	Bank Pembangunan Malaysia Berhad	5,000,000	5,111,931	5,065,532	0.71

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 30 September 2024 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Corporate bonds (cont'd.)</b>					
08.02.2029	United Overseas Bank (Malaysia) Bhd.	30,000,000	30,325,578	30,177,978	4.24
16.03.2029	Tanjung Bin Energy Sdn. Bhd.	5,000,000	5,233,865	5,546,000	0.73
21.03.2029	OSK Rated Bond Sdn. Bhd.	20,000,000	20,102,759	20,017,359	2.81
26.03.2029	Hong Leong Bank Berhad	10,000,000	10,104,986	10,006,986	1.41
27.03.2029	CIMB Islamic Bank Berhad	10,000,000	10,008,730	10,004,230	1.40
06.04.2029	MMC Port Holdings Sdn. Bhd.	5,000,000	5,272,151	5,226,642	0.74
08.05.2029	Affin Bank Berhad	10,000,000	10,222,900	10,164,000	1.43
11.06.2029	Hong Leong Bank Berhad	10,000,000	10,192,274	10,124,274	1.42
28.06.2029	CIMB Group Holdings Berhad	15,000,000	15,236,367	15,168,267	2.13
29.06.2029	PONSB Capital Berhad	2,500,000	2,693,801	2,534,551	0.38
30.07.2029	CIMB Islamic Bank Berhad	5,000,000	5,030,626	5,033,226	0.70



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 30 September 2024 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Corporate bonds (cont'd.)</b>					
30.11.2029	MMC Corporation Berhad	5,000,000	5,435,526	5,102,527	0.76
12.12.2029	DRB-HICOM Berhad	7,400,000	7,883,587	7,560,081	1.10
21.06.2030	S P Setia Berhad	5,000,000	5,228,041	5,196,114	0.73
28.06.2030	Gamuda Berhad	2,000,000	2,039,902	2,026,731	0.29
05.07.2030	Johor Corporation	4,000,000	4,162,204	4,040,964	0.58
29.11.2030	CIMB Islamic Bank Berhad	5,000,000	5,180,661	5,073,211	0.72
27.03.2031	CIMB Islamic Bank Berhad	10,000,000	10,061,716	10,004,416	1.41
09.05.2031	UDA Holdings Berhad	7,000,000	7,268,850	7,176,510	1.02
19.06.2031	AmBank (M) Berhad*	10,000,000	10,175,922	10,116,822	1.42
29.07.2031	Perbadanan Kemajuan Negeri Selangor	5,000,000	5,087,336	5,049,062	0.71
11.08.2031	Bakun Hydro Power Generation Sdn. Bhd.	5,000,000	5,287,036	5,243,452	0.74
26.09.2031	Pengurusan Air Selangor Sdn. Bhd.	5,000,000	5,022,090	5,002,740	0.70
16.01.2032	Perbadanan Kemajuan Negeri Selangor	5,000,000	5,309,488	5,157,496	0.74

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 30 September 2024 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Corporate bonds (cont'd.)</b>					
02.03.2032	Bank Pembangunan Malaysia Berhad	5,000,000	5,364,688	5,325,590	0.75
31.05.2032	GENM Capital Berhad	25,000,000	26,036,130	25,427,130	3.64
13.10.2032	Amanat Lebuhraya Rakyat Berhad	5,000,000	5,590,610	5,524,428	0.78
12.01.2033	Projek Lebuhraya Usahasama Berhad	10,000,000	10,698,945	10,665,776	1.50
29.03.2033	TNB Power Generation Sdn. Bhd.	10,000,000	10,511,855	10,444,995	1.47
04.07.2033	Sarawak Energy Berhad	10,000,000	10,371,318	10,301,869	1.45
26.10.2033	SMJ Sdn. Bhd.	2,500,000	2,660,557	2,549,132	0.37
27.03.2034	CIMB Islamic Bank Berhad	5,000,000	5,060,263	5,026,182	0.71
19.06.2034	AmBank (M) Berhad	10,000,000	10,149,547	10,118,247	1.42
23.06.2034	YTL Corporation Berhad	35,000,000	36,773,824	35,634,646	5.14
10.07.2035	Prasarana Malaysia Berhad	5,000,000	4,913,827	5,203,696	0.69
30.07.2035	CIMB Islamic Bank Berhad	10,000,000	10,128,149	10,070,249	1.42

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 30 September 2024 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Corporate bonds (cont'd.)</b>					
11.11.2036	YTL Corporation Berhad	10,000,000	11,105,845	10,262,935	1.55
12.01.2037	Projek Lebuhraya Usahasama Berhad	5,000,000	5,913,901	5,457,011	0.83
18.03.2037	YTL Power International Berhad	10,000,000	10,097,994	10,179,636	1.41
02.06.2037	TNB Power Generation Sdn. Bhd.	1,500,000	1,686,577	1,524,697	0.24
27.08.2038	Tenaga Nasional Berhad	10,000,000	11,117,025	11,037,372	1.55
26.08.2039	YTL Power International Berhad	20,000,000	20,106,351	20,094,022	2.81
02.06.2042	TNB Power Generation Sdn. Bhd.	2,000,000	2,324,787	2,033,907	0.32
30.06.2042	Tenaga Nasional Berhad	10,000,000	11,773,007	10,889,219	1.65
06.10.2042	Solarpack Suria Sungai Petani Sdn. Bhd.	3,000,000	3,358,127	3,111,685	0.47
<b>Total corporate bonds</b>		<b>560,850,000</b>	<b>582,209,655</b>	<b>574,057,187</b>	<b>81.36</b>
<b>Government Investment Issue</b>					
14.08.2043	Government of Malaysia	20,000,000	20,741,939	20,523,768	2.90
<b>Total Government Investment Issue</b>		<b>20,000,000</b>	<b>20,741,939</b>	<b>20,523,768</b>	<b>2.90</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 30 September 2024 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Malaysian Government Securities</b>					
07.11.2033	Government of Malaysia	4,000,000	4,344,051	4,305,360	0.61
18.04.2039	Government of Malaysia	10,000,000	10,379,978	10,403,563	1.45
16.05.2044	Government of Malaysia	45,000,000	46,655,542	46,368,021	6.52
31.03.2053	Government of Malaysia	15,000,000	15,706,837	15,685,140	2.19
<b>Total Malaysian Government Securities</b>		<b>74,000,000</b>	<b>77,086,408</b>	<b>76,762,084</b>	<b>10.77</b>
<b>Total financial assets at FVTPL</b>		<b>654,850,000</b>	<b>680,038,002</b>	<b>671,343,039</b>	<b>95.03</b>
<b>Excess of fair value over adjusted cost</b>			<b>8,694,963</b>		

\* Financial institution related to the Manager.

**5. AMOUNT DUE FROM/TO MANAGER**

	<b>Note</b>	<b>30.09.2024 RM</b>	<b>31.03.2024 RM</b>
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>3,167,875</u>	<u>4,661,149</u>
<b>(b) Due to Manager</b>			
Manager's fee payable	(ii)	<u>647,712</u>	<u>645,984</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

- (ii) Management 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 financial year and current financial period for Manager's fee payable is one month.

**6. AMOUNT DUE TO BROKERS**

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

**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 financial year and current financial period for Trustee's fee payable is one month.

**8. NET GAINS FROM INVESTMENTS**

	<b>01.04.2024 to 30.09.2024 RM</b>	<b>01.04.2023 to 30.09.2023 RM</b>
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	1,937,818	957,112
– Net unrealised gains on changes in fair value of investments	1,916,588	3,400,385
	<u>3,854,406</u>	<u>4,357,497</u>

**9. TOTAL EQUITY**

Total equity is represented by:

	<b>Note</b>	<b>30.09.2024 RM</b>	<b>31.03.2024 RM</b>
Unit holders' capital	(a)	674,608,132	702,046,370
Retained earnings			
– Realised income	(b)	32,337,038	25,655,414
– Unrealised gains	(c)	8,694,963	6,778,375
		<u>715,640,133</u>	<u>734,480,159</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**9. TOTAL EQUITY (CONT'D.)**

**(a) Unit holders' capital/Units in circulation**

	30.09.2024		31.03.2024	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	539,311,611	702,046,370	248,284,889	313,536,295
Creation during the financial period/year	73,262,900	99,888,844	364,932,099	485,534,466
Reinvestment of distribution	4,916,341	6,647,385	1,187,621	1,571,816
Cancellation during the financial period/year	(98,049,397)	(133,974,467)	(75,092,998)	(98,596,207)
At end of the financial period/year	<u>519,441,455</u>	<u>674,608,132</u>	<u>539,311,611</u>	<u>702,046,370</u>

**(b) Realised – distributable**

	30.09.2024 RM	31.03.2024 RM
At beginning of the financial period/year	25,655,414	10,541,200
Net realised income for the financial period/year	13,419,897	16,723,716
Distribution out of realised income	(6,738,273)	(1,609,502)
At end of the financial period/year	<u>32,337,038</u>	<u>25,655,414</u>

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

	30.09.2024 RM	31.03.2024 RM
At beginning of the financial period/year	6,778,375	(3,468,354)
Net unrealised gains for the financial period/year	1,916,588	10,246,729
At end of the financial period/year	<u>8,694,963</u>	<u>6,778,375</u>

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

There are no units held by the Manager or any other related party as at 30 September 2024 and 31 March 2024.

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

	<b>30.09.2024</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
<b>(i) Significant related party balances</b>		
<u>AmBank (M) Berhad</u>		
Cash at bank	<u>33,109,653</u>	<u>55,280,133</u>

**11. TAXATION**

Income tax payable is calculated on investment income less deduction for permitted expenses as provided for 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:

	<b>01.04.2024 to</b>	<b>01.04.2023 to</b>
	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>15,336,485</u>	<u>10,240,074</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	3,680,756	2,457,618
Tax effects of:		
Income not subject to tax	(4,625,482)	(3,043,512)
Losses not allowed for tax deduction	4,200	129,109
Restriction on tax deductible expenses for unit trust fund	812,828	394,155
Non-permitted expenses for tax purposes	37,384	18,835
Permitted expenses not used and not available for future financial periods	<u>90,314</u>	<u>43,795</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

## AmBond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024

#### 12. DISTRIBUTION

Details of distribution to unit holders for the current and previous financial periods are as follows:

	01.04.2024 to 30.09.2024 RM	01.04.2023 to 30.09.2023 RM
Gross distribution per unit (sen)	1.1942	0.5000
Net distribution per unit (sen)	1.1942	0.5000

#### Financial period ended 30 September 2024

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
15 May 2024	1.1942	1.1942	6,738,273

#### Financial period ended 30 September 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
22 September 2023	0.5000	0.5000	1,609,502

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.

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

#### 13. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.04.2024 to 30.09.2024 % p.a.	01.04.2023 to 30.09.2023 % p.a.
Manager’s fee	0.50	0.50
Trustee’s fee	0.02	0.02
Fund’s other expenses	-*	-*
Total TER	0.52	0.52



## AmBond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 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 annualised 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 0.49 times (01 April 2023 to 30 September 2023: 0.47 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 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 period ended 30 September 2024 are as follows:

	Transaction value	
	RM	%
CIMB Bank Berhad	188,271,988	25.88
RHB Investment Bank Berhad	150,990,284	20.76
Hong Leong Investment Bank Berhad	91,049,323	12.52
HSBC Bank Malaysia Berhad	62,637,381	8.61
AmBank (M) Berhad*	56,699,077	7.79
Hong Leong Bank Berhad	45,058,372	6.19
AmBank Islamic Berhad*	31,654,686	4.35
Malayan Banking Berhad	30,918,538	4.25
JP Morgan Securities (M) Sdn Bhd	24,899,296	3.42
AmInvestment Bank Berhad*	20,000,000	2.75
Other brokers	25,314,627	3.48
Total	<u>727,493,572</u>	<u>100.00</u>

\* Financial institutions related to the Manager.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

**16. TRANSACTIONS WITH BROKERS (CONT'D.)**

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

The above transactions are in respect of fixed income instruments. Transactions in these investments do not involve any commission or brokerage fee.

**17. 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 Markets 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.

**(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 risk:

**(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 institutions are determined based on prevailing market rates.

**(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 is exposed to the risk of bond issuers and financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 SEPTEMBER 2024**

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

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial 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. This is also the risk of fund experiencing large redemptions, when the Investment Manger could be forced to sell large volumes of its holdings at unfavorable prices to meet redemptions requirements.

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 cash at banks, 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.

The Fund's financial liabilities have contractual maturities of not more than six months.

**(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 the respective internal policies, the Deeds, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

## **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 134: *Interim Financial Reporting* (“MFRS134”) so as to give a true and fair view of the financial position of AmBond (the “Fund”) as at 30 September 2024 and of the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 November 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMBOND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 30 September 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 period 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  
19 November 2024

## DIRECTORY

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

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

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

