

Annual Report for

AmConservative

30 April 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 AmConservative ("Fund") for the financial year ended 30 April 2024.

Salient Information of the Fund

Name	AmConservative ("Fund")
Category/ Type	Fixed Income / Income
Objective	<p>The Fund aims to preserve capital* and provide a stream of income** by having a bigger exposure to fixed income investments than equities.</p> <p><i>Note:</i> * The Fund is neither a capital guaranteed fund nor a capital protected fund. ** The income could be in the form of units or cash. Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
Duration	The Fund was established on 16 September 2003 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	<ul style="list-style-type: none">• 15% FTSE Bursa Malaysia Top 100 Index ("FBMT 100")• 85% Quantshop Medium MGS Index ("MMGS") (Available at www.aminvest.com) <p><i>Note: The composite benchmark index is a reflection of the Fund's average asset allocation over the medium to long-term. For the equities portion of the Fund the performance benchmark will be FTSE Bursa Malaysia Top 100 Index and for the fixed income portion it will be Quantshop Medium MGS index. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>Source: FTSE International Limited ("FTSE") © FTSE 2024. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "BURSA MALAYSIA" is a trade mark of Bursa Malaysia Berhad ("BURSA MALAYSIA"). All intellectual property rights in the index values and constituent list vests in FTSE and BURSA MALAYSIA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.</i></p>
Income Distribution Policy	Income distribution (if any) is paid at least twice every year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 April are as follows:			
		As at 30 April		
		2024	2023	2022
		%	%	%
	Corporate bonds	61.78	48.33	4.51
	Local collective investment schemes	25.19	17.24	83.43
	Malaysian Government Securities	-	12.61	-
	Money market deposits and cash equivalents	13.03	21.82	12.06
	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 30 April are as follows:			
		FYE	FYE	FYE
		2024	2023	2022
	Net asset value (RM)	2,725,333	3,283,632	653,962
	Units in circulation	2,334,015	2,914,951	1,149,425
	Net asset value per unit (RM)	1.1677	1.1265	0.5689
	Highest net asset value per unit (RM)	1.1696	2.4029	0.6098
	Lowest net asset value per unit (RM)	1.1267	0.5581	0.5686
	Benchmark performance (%)	4.37	4.03	-1.87
	Total return (%) ⁽¹⁾	3.67	323.99	-1.97
	- Capital growth (%)	3.67	98.99	-6.10
	- Income distributions (%)	-	225.00	4.13
	Gross distributions (sen per unit)	-	128.00	2.50
	Net distributions (sen per unit)	-	128.00	2.50
	Total expense ratio (%) ⁽²⁾	2.11	2.61	2.26
	Portfolio turnover ratio (times) ⁽³⁾	0.49	0.68	1.70
	<i>Note:</i>			
	<i>(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.</i>			
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER decreased by 0.50% as compared to 2.61% per annum for the financial year ended 30 April 2023 mainly due to increase in average fund size.</i>			
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The decrease in the PTR for 2024 and 2023 were mainly due to investing activities.</i>			

Average Total Return (as at 30 April 2024)

	AmConservative ^(a) %	15% of FBMT 100 & 85% MMGS ^(b) %
One year	3.67	4.37
Three years	62.70	2.14
Five years	35.55	3.16
Ten years	18.54	3.23

Annual Total Return

Financial Years Ended (30 April)	AmConservative ^(a) %	15% of FBMT 100 & 85% MMGS ^(b) %
2024	3.67	4.37
2023	323.99	4.03
2022	-1.97	-1.87
2021	4.50	4.75
2020	1.70	4.66

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

(b) 15% FTSE Bursa Malaysia Top 100 Index ("FBMT 100") & 85% Quantshop Medium MGS Index ("MMGS"). (Available at www.aminvest.com)

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

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

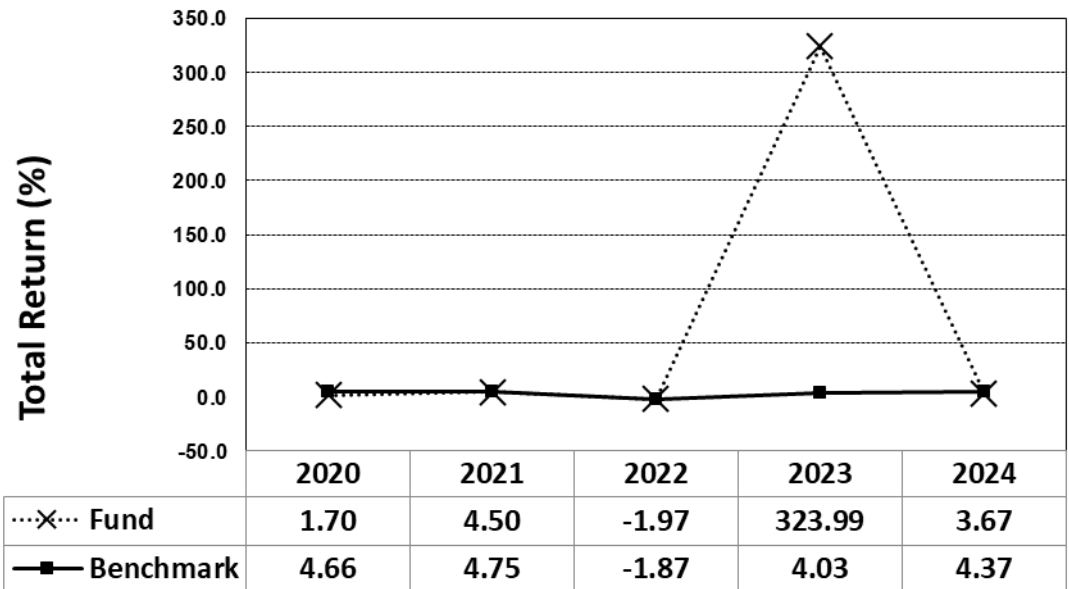
Fund Performance

For the financial year under review, the Fund registered a return of 3.67% which is entirely capital growth in nature.

Thus, the Fund return of 3.67% has underperformed the benchmark's return of 4.37% by 0.70%.

As compared with the financial year ended 30 April 2023, the net asset value ("NAV") per unit of the Fund increased by 3.66% from RM1.1265 to RM1.1677, while units in circulations decreased by 19.93% from 2,914,951 units to 2,334,015 units.

The following line chart shows comparison between the annual performances of AmConservative and its benchmark, 85% MMGS and 15% of FBMT 100, for the financial years ended 30 April.



Financial Years Ended (30 April)

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

Strategies and Policies Employed

The Fund can have an equity exposure up to 30% and the remaining in fixed income instruments. In managing the Fund, the Manager may opt to invest in the investments either directly or via collective investment schemes.

Equity

The Fund can invest up to a maximum 30% of its Net Asset Value (“NAV”) in equities. Value-add from equity investments is derived from active stock selection with focus on undervalued stocks relative to its earnings growth potential. In the event that outlook for equity investments is not conducive, the Fund can choose to have zero exposure in equity securities.

Fixed Income

The Fund can invest up to a maximum of 95% of its NAV in fixed income instruments. In buying and selling fixed income instruments for the Fund, the Manager uses active management.

The Manager will also:

- analyze the general economic and market conditions;
- use models that analyze and compare expected returns and assumed risk;
- focus on fixed income instruments that would deliver better returns for a given level of risk; and
- consider fixed income instruments with a better credit outlook and potential for capital appreciation.

The Manager may adopt an active trading stance, and will not consider portfolio turnover as a limiting factor in ensuring that the Fund meets its investment objective.

The Fund invests in Malaysia and up to 30% of its NAV in foreign eligible markets.

Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 30 April 2024 and 30 April 2023.</p> <table border="1" data-bbox="379 219 1485 546"> <thead> <tr> <th></th> <th>As at 30.04.2024 %</th> <th>As at 30.04.2023 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td>61.78</td> <td>48.33</td> <td>13.45</td> </tr> <tr> <td>Local collective investment schemes</td> <td>25.19</td> <td>17.24</td> <td>7.95</td> </tr> <tr> <td>Malaysian Government Securities</td> <td>-</td> <td>12.61</td> <td>-12.61</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>13.03</td> <td>21.82</td> <td>-8.79</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, 25.19% of the portfolio's NAV was invested in local collective investment schemes, 61.78% of its NAV in corporate bonds while the remaining 13.03% in money market deposits and cash equivalents.</p>		As at 30.04.2024 %	As at 30.04.2023 %	Changes %	Corporate bonds	61.78	48.33	13.45	Local collective investment schemes	25.19	17.24	7.95	Malaysian Government Securities	-	12.61	-12.61	Money market deposits and cash equivalents	13.03	21.82	-8.79	Total	100.00	100.00	
	As at 30.04.2024 %	As at 30.04.2023 %	Changes %																						
Corporate bonds	61.78	48.33	13.45																						
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Total	100.00	100.00																							
Securities Lending / Repurchase Transactions	<p>The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").</p>																								
Cross Trade	<p>There were no cross trades undertaken during the financial year under review.</p>																								
Distribution / Unit Splits	<p>There is no income distribution and unit split declared for the financial year under review.</p>																								
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 financial year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>																								
Market Review	<p>Despite Malaysia bond market experienced a volatile session during second half of 2023 local fixed income market still ended the year in a positive territory, largely mirrored movement in the United States Treasuries (UST) on the narrative that the Federal Reserve's period of rate tightening may be over and setting the stage for rate cuts to occur in 2024. Over the period, the UST curve bull-steepened with yields fell by 12 - 65bps across the 1-year and 7-year tenure. In tandem with the positive performance of the UST, Malaysian Government Securities (MGS) yields fell by 3 - 12bps across the curve.</p> <p>Moving towards 2024, Malaysia bond market kicked start the first two months with a sell-off amid profit taking as MGS yields were 3bps to 15bps higher generally across the yield curve after the strong year-end rally and cautious ahead of stronger US economic data and hawkish comments from the Federal Reserve (Fed) members. Domestically, Bank Negara Malaysia (BNM) kept overnight policy rate unchanged at 3.00% on 24 January 2024 meeting, in line with market expectation accompanied by language of the Monetary Policy Committee (MPC) statement remained neutral and depicting current Overnight Policy Rate (OPR) level as supportive.</p> <p>In the month of March, the widely expected pause in BNM's OPR coupled with the lack of markets conviction amid subdued market sentiment in the US, local bond market was traded in a tight 4 - 9bps range. However, Malaysia bond market turned weaker in April following a sell-off in the UST, as sticky inflation and resilient labor market have</p>																								

	given more reasons for the US Fed to stand pat on key rates. Thin market liquidity and rising geopolitical risk in the Middle East also dented bond market sentiment with MGS curve repriced higher by 13 - 22 bps month-on-month (MoM).
Market Outlook	Despite the selloff in the UST market, the local MGS market did not suffer a similar spike in yields. Bonds yields only rose marginally and were relatively supported. This has been attributed to the deep domestic liquidity holdings, particularly from GLICs and institutional investors.
Additional Information	<p>The following information was updated:</p> <p>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. 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

18 June 2024

Independent auditors' report to the unit holders of AmConservative

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmConservative (the "Fund"), which comprise the statement of financial position as at 30 April 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 41.

In our opinion, the accompanying financial statements, give a true and fair view of the financial position of the Fund as at 30 April 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 AmConservative (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
AmConservative (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
AmConservative (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
18 June 2024

AmConservative**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2024**

	Note	2024 RM	2023 RM
ASSETS			
Investments	4	2,370,329	2,567,053
Dividend receivable		-	1,386
Amount due from Manager	5(a)	2,795	67,327
Deposits with licensed financial institutions	6	393,032	685,155
Cash at banks		11,124	11,231
TOTAL ASSETS		<u>2,777,280</u>	<u>3,332,152</u>
LIABILITIES			
Amount due to Manager	5(b)	7,394	3,635
Amount due to Trustee	7	92	103
Sundry payables and accruals		44,461	44,782
TOTAL LIABILITIES		<u>51,947</u>	<u>48,520</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>2,725,333</u>	<u>3,283,632</u>
EQUITY			
Unit holders' capital	9(a)	2,401,579	3,061,916
Retained earnings	9(b)(c)	323,754	221,716
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>2,725,333</u>	<u>3,283,632</u>
UNITS IN CIRCULATION	9(a)	<u>2,334,015</u>	<u>2,914,951</u>
NAV PER UNIT (RM)		<u>1.1677</u>	<u>1.1265</u>

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

AmConservative**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Distribution income		4,669	15,582
Interest income		102,524	32,538
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	<u>53,788</u>	<u>1,948,399</u>
		<u>160,981</u>	<u>1,996,519</u>
EXPENDITURE			
Manager’s fee	5	(37,000)	(16,322)
Trustee’s fee	7	(1,119)	(579)
Audit fee		(10,000)	(10,000)
Tax agent’s fee		(5,000)	(5,000)
Other expenses		<u>(5,824)</u>	<u>(5,784)</u>
		<u>(58,943)</u>	<u>(37,685)</u>
Net income before taxation		102,038	1,958,834
Taxation	11	<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial year		<u>102,038</u>	<u>1,958,834</u>
Total comprehensive income comprises the following:			
Realised income		55,855	1,935,407
Unrealised gains		<u>46,183</u>	<u>23,427</u>
		<u>102,038</u>	<u>1,958,834</u>
Distributions for the financial year			
Net distributions	12	<u>-</u>	<u>1,878,778</u>
Gross distributions per unit (sen)	12	<u>-</u>	<u>128.00</u>
Net distributions per unit (sen)	12	<u>-</u>	<u>128.00</u>

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

AmConservative**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 May 2023		3,061,916	221,716	3,283,632
Total comprehensive income for the financial year		-	102,038	102,038
Creation of units	9(a)	1,600,300	-	1,600,300
Cancellation of units	9(a)	(2,260,637)	-	(2,260,637)
Balance at 30 April 2024		<u>2,401,579</u>	<u>323,754</u>	<u>2,725,333</u>
At 1 May 2022		512,302	141,660	653,962
Total comprehensive income for the financial year		-	1,958,834	1,958,834
Creation of units	9(a)	1,180,670	-	1,180,670
Reinvestment of distributions	9(a)	1,878,778	-	1,878,778
Cancellation of units	9(a)	(509,834)	-	(509,834)
Distributions	12	-	(1,878,778)	(1,878,778)
Balance at 30 April 2023		<u>3,061,916</u>	<u>221,716</u>	<u>3,283,632</u>

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

AmConservative**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investment		1,490,950	1,924,972
Purchases of investments		(1,238,441)	(1,949,191)
Dividends received		6,055	17,341
Interest received		100,528	13,205
Manager's fee paid		(37,282)	(13,070)
Trustee's fee paid		(1,130)	(497)
Tax agent's fee paid		(5,000)	(5,000)
Payments for other expenses		<u>(16,146)</u>	<u>(6,519)</u>
Net cash generated from/(used in) operating and investing activities		<u>299,534</u>	<u>(18,759)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		1,664,831	1,113,343
Payments for cancellation of units		<u>(2,256,595)</u>	<u>(509,834)</u>
Net cash (used in)/generated from financing activities		<u>(591,764)</u>	<u>603,509</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(292,230)	584,750
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>696,386</u>	<u>111,636</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>404,156</u>	<u>696,386</u>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	6	393,032	685,155
Cash at banks		<u>11,124</u>	<u>11,231</u>
		<u>404,156</u>	<u>696,386</u>

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

AmConservative

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

1. GENERAL INFORMATION

AmConservative (the “Fund”) was established pursuant to a Deed dated 11 September 2003 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 preserving capital and provides a stream of income by having a bigger exposure to fixed income investments than equities. As provided in the Deeds, the financial year shall end on 30 April and the units in the Fund were first offered for sale on 16 September 2003.

The financial statements were authorised for issue by the Manager on 18 June 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 and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information (Amendments to MFRS 17 Insurance Contracts)*</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

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.

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) Distribution income

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

(ii) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

3.1 Income recognition (cont'd.)

(ii) Interest income (cont'd.)

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.

(iii) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

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 distribution income, interest income and net gain from 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").

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

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.

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 interest 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 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:

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, dividend/distribution receivables, amount due from Manager, amount due from brokers/financial institutions 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 assets. 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.

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". Distribution revenue and interest earned elements of such instruments are recorded in "Distribution income" and "Interest income" respectively.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 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 FVTPL (cont'd.)

The Fund subsequently measures its investments in equity investments and CIS at FVTPL. Dividends/distribution earned whilst holding the investments are recognised in profit or loss when the right to the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

3.10 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

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 CIS, fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the quoted price that the Fund paid when buying its investments. 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 purchase 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/purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3.14 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments are classified at FVTPL and are calculated using 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 30 APRIL 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 the short-term for profit-taking or to meet unit holder's 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		
Unquoted CIS	686,647	566,183
Unquoted fixed income securities	1,683,682	2,000,870
	<u>2,370,329</u>	<u>2,567,053</u>

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

Unquoted CIS

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
AmBond*	166,597	226,572	219,825	8.31
AmBon Islam*	95,542	128,045	120,375	4.70
AmDividend Income*	295,235	93,796	90,575	3.44
AmDynamic Bond*	134,601	97,343	96,455	3.57
AmTactical Bond*	95,360	96,876	97,000	3.55
Asia Pacific Equity Income*	49,311	44,015	44,000	1.62
Total unquoted CIS	<u>836,646</u>	<u>686,647</u>	<u>668,230</u>	<u>25.19</u>

* These CIS are managed by the Manager.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

4. INVESTMENTS (CONT'D.)

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

Unquoted fixed income securities

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds						
28.08.2026	MTT Shipping Sdn. Bhd.	AA	150,000	152,216	151,328	5.59
17.11.2028	RHB Bank Berhad	AA	150,000	155,913	152,988	5.72
11.01.2030	Projek Lebuhraya Usahasama Berhad	AAA	500,000	522,411	506,901	19.17
03.05.2030	GENM Capital Berhad	AA	300,000	315,577	307,783	11.58
26.07.2030	Sarawak Petchem Sdn. Bhd.	AAA	500,000	537,565	523,740	19.72
Total unquoted fixed income securities			1,600,000	1,683,682	1,642,740	61.78
Total financial assets at FVTPL				2,370,329	2,310,970	86.97
Excess of fair value over purchased/ adjusted cost				59,359		

The weighted average effective yield on unquoted investments are as follows:

	Effective yield	
	2024 %	2023 %
Corporate bonds	4.21	4.61
Malaysian Government Securities	-	3.72

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

4. INVESTMENTS (CONT'D.)

Analysis of the remaining maturity of investments as at 30 April 2024 and 30 April 2023 are as follows:

	1 year to 5 years RM	More than 5 years RM
2024		
At nominal value:		
Corporate bonds	300,000	1,300,000
	<u>300,000</u>	<u>1,300,000</u>
2023		
At nominal value:		
Corporate bonds	30,000	1,500,000
Malaysian Government Securities	-	400,000
	<u>30,000</u>	<u>1,900,000</u>

5. AMOUNT DUE FROM/TO MANAGER

	Note	2024 RM	2023 RM
(a) Due from Manager			
Creation of units	(i)	2,795	67,327
		<u>2,795</u>	<u>67,327</u>
(b) Due to Manager			
Cancellation of units	(ii)	4,041	-
Manager's fee payable	(iii)	3,353	3,635
		<u>7,394</u>	<u>3,635</u>

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

(ii) This represents amount payable from the Manager for units cancelled.

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

(iii) Manager's fee is at a rate of 1.50% (2023: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis. As the Fund invested in CIS, the Manager's fee related to CIS has been charged by the Manager.

According to Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Manager's fee can only be charged once and hence, no Manager's fee can be charged to NAV of the unquoted CIS of this Fund to avoid double charging of Manager's fee.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2024	2023
	RM	RM
At nominal value:		
Short-term deposits	<u>393,000</u>	<u>685,000</u>
At carrying value:		
Short-term deposits	<u>393,032</u>	<u>685,155</u>

Details of deposit with a licensed financial institution are as follows:

Maturity date	Financial institution	Nominal value	Carrying value	Carrying value as a percentage of NAV
		RM	RM	%
2024				
Short-term deposit				
02.05.2024	CIMB Bank Berhad	<u>393,000</u>	<u>393,032</u>	<u>14.42</u>

The weighted average effective interest rate and weighted average remaining maturity are as follows:

	Weighted average effective interest rate		Weighted average remaining maturity	
	2024	2023	2024	2023
	%	%	Days	Days
Short-term deposits	<u>3.00</u>	<u>2.75</u>	<u>2</u>	<u>2</u>

7. AMOUNT DUE TO TRUSTEE

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

8. NET GAINS FROM INVESTMENTS

	2024 RM	2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	7,605	1,924,972
– Net unrealised gains on changes in fair value of investments	46,183	23,427
	<u>53,788</u>	<u>1,948,399</u>

9. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	2,401,579	3,061,916
Retained earnings			
– Realised income	(b)	264,395	208,540
– Unrealised gains	(c)	59,359	13,176
		<u>2,725,333</u>	<u>3,283,632</u>

(a) Unit holders' capital/Units in circulation

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	2,914,951	3,061,916	1,149,425	512,302
Creation during the financial year	1,398,987	1,600,300	701,383	1,180,670
Reinvestment of distributions	-	-	1,388,498	1,878,778
Cancellation during the financial year	(1,979,923)	(2,260,637)	(324,355)	(509,834)
At end of the financial year	<u>2,334,015</u>	<u>2,401,579</u>	<u>2,914,951</u>	<u>3,061,916</u>

(b) Realised – distributable

	2024 RM	2023 RM
At beginning of the financial year	208,540	151,911
Net realised gains for the financial year	55,855	1,935,407
Distributions out of realised income (Note 12)	-	(1,878,778)
At end of the financial year	<u>264,395</u>	<u>208,540</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

9. TOTAL EQUITY (CONT'D.)

(c) Unrealised – non-distributable

	2024	2023
	RM	RM
At beginning of the financial year	13,176	(10,251)
Net unrealised gains for the financial year	46,183	23,427
At end of the financial year	<u>59,359</u>	<u>13,176</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
Holdings company of the Manager
Ultimate holding company of the Manager
Subsidiaries and associate companies of
the ultimate holding company of the
Manager

There are no units held by the Manager or any related party as at 30 April 2024 and 30 April 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>5</u>	<u>47</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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

11. TAXATION (CONT'D.)

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>102,038</u>	<u>1,958,834</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	24,489	470,120
Tax effects of:		
Income not subject to tax	(39,463)	(479,164)
Loss not allowed for tax deduction	828	-
Restriction on tax deductible expenses for unit trust fund	10,152	5,686
Non-permitted expenses for tax purposes	2,866	2,727
Permitted expenses not used and not available for future financial years	<u>1,128</u>	<u>631</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

12. DISTRIBUTIONS

No distribution has been declared to unit holders during the current financial year.

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

	2024	2023
	RM	RM
Gross distributions per unit (sen)	<u>-</u>	<u>128.00</u>
Net distributions per unit (sen)	<u>-</u>	<u>128.00</u>

Financial year ended 30 April 2023

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
21 February 2023	60.00	60.00	676,827
28 March 2023	60.00	60.00	988,707
20 April 2023	8.00	8.00	213,244
	<u>128.00</u>	<u>128.00</u>	<u>1,878,778</u>
		2024	2023
		RM	RM
Total amount available for distribution		<u>264,395</u>	<u>208,540</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

12. DISTRIBUTIONS (CONT'D.)

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

13. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2024	2023
	% p.a.	% p.a.
Manager's fee	1.32	1.13
Trustee's fee	0.04	0.04
Fund's other expenses	0.75	1.44
Total TER	<u>2.11</u>	<u>2.61</u>

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

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 (2023: 0.68 times).

15. SEGMENTAL REPORTING

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

15. SEGMENTAL REPORTING (CONT'D.)

	CIS portfolio RM	2024 Fixed income portfolio RM	Total RM	CIS portfolio RM	2023 Fixed income portfolio RM	Total RM
Distribution income	4,669	-	4,669	15,582	-	15,582
Interest income	-	102,524	102,524	-	32,538	32,538
Net gains from investments:						
– Financial assets at FVTPL	23,199	30,589	53,788	3,261	1,945,138	1,948,399
Total segment investment income for the financial year	<u>27,868</u>	<u>133,113</u>	<u>160,981</u>	<u>18,843</u>	<u>1,977,676</u>	<u>1,996,519</u>
Financial assets at FVTPL	686,647	1,683,682	2,370,329	566,183	2,000,870	2,567,053
Deposits with licensed financial institutions	-	393,032	393,032	-	685,155	685,155
Dividend receivable	-	-	-	1,386	-	1,386
Total segment assets	<u>686,647</u>	<u>2,076,714</u>	<u>2,763,361</u>	<u>567,569</u>	<u>2,686,025</u>	<u>3,253,594</u>

There are no segment liabilities as at 30 April 2024 and 30 April 2023.

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

	2024 RM	2023 RM
Net reportable segment investment income	160,981	1,996,519
Less: Expenses	(58,943)	(37,685)
Net income before taxation	102,038	1,958,834
Taxation	-	-
Net income after taxation	<u>102,038</u>	<u>1,958,834</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

15. SEGMENTAL REPORTING (CONT'D.)

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

	2024	2023
	RM	RM
Total segment assets	2,763,361	3,253,594
Amount due from Manager	2,795	67,327
Cash at banks	11,124	11,231
Total assets of the Fund	<u>2,777,280</u>	<u>3,332,152</u>
Amount due to Manager	7,394	3,635
Amount due to Trustee	92	103
Sundry payables and accruals	44,461	44,782
Total liabilities of the Fund	<u>51,947</u>	<u>48,520</u>

16. TRANSACTIONS WITH THE MANAGER AND BROKERS

Details of transactions with the Manager and brokers for the financial year ended 30 April 2024 are as follows:

	Transaction value	
	RM	%
Hong Leong Bank Berhad	615,430	22.46
AmFunds Management Berhad	579,078	21.14
CIMB Bank Berhad	450,270	16.43
CIMB Islamic Bank Berhad	413,589	15.10
AmBank (M) Berhad*	300,000	10.95
Hong Leong Investment Bank Berhad	231,310	8.44
RHB Investment Bank Berhad	150,000	5.48
	<u>2,739,677</u>	<u>100.00</u>

* A financial institution related to the Manager.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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	2,370,329	-	-	2,370,329
Amount due from Manager	-	2,795	-	2,795
Deposits with licensed financial institutions	-	393,032	-	393,032
Cash at banks	-	11,124	-	11,124
Total financial assets	<u>2,370,329</u>	<u>406,951</u>	<u>-</u>	<u>2,777,280</u>
Financial liabilities				
Amount due to Manager	-	-	7,394	7,394
Amount due to Trustee	-	-	92	92
Total financial liabilities	<u>-</u>	<u>-</u>	<u>7,486</u>	<u>7,486</u>
2023				
Financial assets				
Investments	2,567,053	-	-	2,567,053
Dividend receivable	-	1,386	-	1,386
Amount due from Manager	-	67,327	-	67,327
Deposits with licensed financial institution	-	685,155	-	685,155
Cash at banks	-	11,231	-	11,231
Total financial assets	<u>2,567,053</u>	<u>765,099</u>	<u>-</u>	<u>3,332,152</u>
Financial liabilities				
Amount due to Manager	-	-	3,635	3,635
Amount due to Trustee	-	-	103	103
Total financial liabilities	<u>-</u>	<u>-</u>	<u>3,738</u>	<u>3,738</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Income, expenses, gains and losses	
	2024	2023
	RM	RM
Net gains from financial assets at FVTPL	53,788	1,948,399
Income, of which derived from:		
– Distribution income from financial assets at FVTPL	4,669	15,582
– Interest income from financial assets at FVTPL	87,807	21,033
– Interest income from financial assets at amortised cost	<u>14,717</u>	<u>11,505</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 value 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.

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2024				
Financial assets at FVTPL	-	2,370,329	-	<u>2,370,329</u>
2023				
Financial assets at FVTPL	-	2,567,053	-	<u>2,567,053</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

17. FINANCIAL INSTRUMENTS (CONT'D.)

(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:

- Dividend receivable
- Amount due from/to Manager
- Deposits with licensed financial institutions
- Cash at banks
- Amount due to Trustee

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 investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deeds as the backbone of risk management of the Fund.

(a) Market risk

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

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

(i) Price risk

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

(a) Market risk (cont'd.)

(i) Price risk (cont'd.)

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(34,332)	(28,309)
+5.00%	34,332	28,309

(ii) 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.

The result below summarised the interest rate sensitivity of the Fund's NAV, or theoretical value (applicable to money market deposit) 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
+100bps	(77,085)	(128,319)
-100bps	81,851	141,475

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

(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.

(i) Credit quality of financial assets

The following table analyses the Fund's portfolio of debt securities by rating category as at 30 April 2024 and 30 April 2023:

Credit rating	RM	As a % of debt securities	As a % of NAV
2024			
AAA	1,059,976	62.96	38.89
AA	623,706	37.04	22.89
	<u>1,683,682</u>	<u>100.00</u>	<u>61.78</u>
2023			
AAA	1,048,773	52.42	31.94
AA	508,082	25.39	15.47
A	29,904	1.49	0.91
NR	414,111	20.70	12.61
	<u>2,000,870</u>	<u>100.00</u>	<u>60.93</u>

For deposits with licensed financial institutions, the Fund only makes placements with licensed financial institutions with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 30 April 2024 and 30 April 2023:

Credit rating	RM	As a % of deposits	As a % of NAV
2024			
P1/MARC-1	393,032	100.00	14.42
2023			
P1/MARC-1	685,155	100.00	20.87

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

(b) Credit risk (cont'd.)

(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 30 April 2024 and 30 April 2023:

Sector	RM	As a % of debt securities	As a % of NAV
2024			
Consumer discretionary	315,577	18.74	11.58
Energy and utilities	537,565	31.93	19.72
Financial services	155,913	9.26	5.72
Transportation and storage	674,627	40.07	24.76
	<u>1,683,682</u>	<u>100.00</u>	<u>61.78</u>
2023			
Industrial Products	533,979	26.69	16.26
Infrastructures and utilities	1,022,876	51.12	31.15
Mining & petroleum	29,904	1.49	0.91
Public Finance	414,111	20.70	12.61
	<u>2,000,870</u>	<u>100.00</u>	<u>60.93</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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 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 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
2024						
Financial assets						
Investments	78,877	78,683	224,867	71,040	221,278	1,384,576
Amount due from Manager	2,795	-	-	-	-	-
Deposits with licensed financial institutions	393,032	-	-	-	-	-
Cash at banks	11,124	-	-	-	-	-
Total financial assets	485,828	78,683	224,867	71,040	221,278	1,384,576
Financial liabilities						
Amount due to Manager	7,394	-	-	-	-	-
Amount due to Trustee	92	-	-	-	-	-
Total financial liabilities	7,486	-	-	-	-	-
2023						
Financial assets						
Investments	93,654	93,506	93,599	93,512	123,660	2,294,518
Amount due from Manager	67,327	-	-	-	-	-
Deposits with licensed financial institutions	685,206	-	-	-	-	-
Dividend receivable	1,386	-	-	-	-	-
Cash at banks	11,231	-	-	-	-	-
Total financial assets	858,804	93,506	93,599	93,512	123,660	2,294,518

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 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 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
2023 (cont'd.)						
Financial liabilities						
Amount due to Manager	3,635	-	-	-	-	-
Amount due to Trustee	103	-	-	-	-	-
Total financial liabilities	3,738	-	-	-	-	-

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024**

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

(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 Deeds, 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 unitholders' 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 30 April 2024 and 30 April 2023.

AmConservative

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 AmConservative (the “Fund”) as at 30 April 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
18 June 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMCONSERVATIVE ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 April 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.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur, Malaysia
18 June 2024

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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.)*

