

Semi-Annual Report for

# AmConservative

31 October 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

### **Trustee**

HSBC (Malaysia) Trustee Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

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

### Salient Information of the Fund

<b>Name</b>	AmConservative ("Fund")
<b>Category/ Type</b>	Fixed Income / Income
<b>Objective</b>	<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>
<b>Duration</b>	<p>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.</p>
<b>Performance Benchmark</b>	<ul style="list-style-type: none"><li>• 15% FTSE Bursa Malaysia Top 100 Index ("FBMT 100")</li><li>• 85% Quantshop Medium MGS Index ("MMGS") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</li></ul> <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>
<b>Income Distribution Policy</b>	<p>Subject to the availability of income, distribution will be made at least twice every year.</p> <p>At the Manager's discretion, the Fund may distribute from its gain, income and capital. The rationale for distribution out of capital is to allow the Fund the ability to (i) distribute income on a regular basis in accordance with the distribution policy of the Fund or (ii) increase the amount of distributable income to the unit holders, after taking into consideration the risk of distributing out of capital.</p>

Distribution out of the Fund's capital has the effect of lowering the NAV of the Fund, may reduce part of the unitholders' original investment and may also result in reduced future returns to unit holders. When a substantial amount of the original investment is being returned to the unit holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

## Fund Performance Data

**Portfolio Composition** Details of portfolio composition of the Fund as at 31 October 2024 and for the past three financial years are as follows:

	As at 31.10.2024 %	As at 30 April		
		2024 %	2023 %	2022 %
Corporate bonds	61.93	61.78	48.33	4.51
Local Collective Investment Schemes	27.77	25.19	17.24	83.43
Malaysian Government Securities	-	-	12.61	-
Money market deposits and cash equivalents	10.30	13.03	21.82	12.06
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

*Note: The abovementioned percentages are calculated based on total net asset value.*

**Performance Details** Performance details of the Fund for the financial period ended 31 October 2024 and three financial years ended 30 April are as follows:

	FPE 31.10.2024	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)	2,471,430	2,725,333	3,283,632	653,962
Units in circulation	2,126,343	2,334,015	2,914,951	1,149,425
Net asset value per unit (RM)	1.1623	1.1677	1.1265	0.5689
Highest net asset value per unit (RM)	1.1763	1.1696	2.4029	0.6098
Lowest net asset value per unit (RM)	1.1465	1.1267	0.5581	0.5686
Benchmark performance (%)	2.44	4.37	4.03	-1.87
Total return (%) <sup>(1)</sup>	0.62	3.67	323.99	-1.97
- Capital growth (%)	-0.46	3.67	98.99	-6.10
- Income distributions (%)	1.08	-	225.00	4.13
Gross distributions (sen per unit)	1.2649	-	128.0000	2.5000
Net distributions (sen per unit)	1.2649	-	128.0000	2.5000
Total expense ratio (%) <sup>(2)</sup>	1.02	2.11	2.61	2.26
Portfolio turnover ratio (times) <sup>(3)</sup>	0.30	0.49	0.68	1.70

*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 31 October 2024)**

	AmConservative <sup>(a)</sup> %	Benchmark <sup>(b)</sup> %
One year	3.44	6.19
Three years	63.27	3.21
Five years	35.41	3.20
Ten years	18.23	3.31

**Annual Total Return**

Financial Years Ended (30 April)	AmConservative <sup>(a)</sup> %	Benchmark <sup>(b)</sup> %
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](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 period is computed based on the absolute return for that period annualised over one year.

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

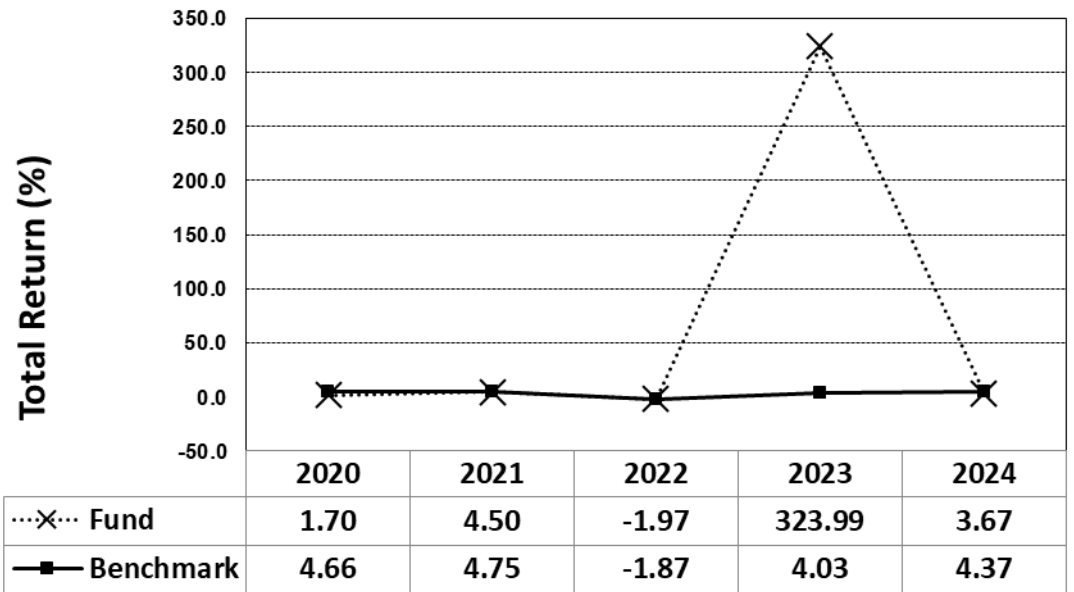
**Fund Performance**

For the financial period under review, the Fund registered a return of 0.62% comprising of negative 0.46% capital and 1.08% income distribution.

Thus, the Fund’s return of 0.62% has underperformed the benchmark’s return of 2.44% by 1.82%.

As compared with the financial year ended 30 April 2024, the net asset value (“NAV”) per unit of the Fund decreased by 0.46% from RM1.1677 to RM1.1623, while units in circulations decreased by 8.90% from 2,334,015 units to 2,126,343 units.

The following line chart shows comparison between the annual performances of AmConservative and its benchmark 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.

<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 October 2024 and 30 April 2024.</p> <table border="1" data-bbox="379 219 1489 495"> <thead> <tr> <th></th> <th>As at 31.10.2024 %</th> <th>As at 30.04.2024 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td>61.93</td> <td>61.78</td> <td>0.15</td> </tr> <tr> <td>Local Collective Investment Schemes</td> <td>27.77</td> <td>25.19</td> <td>2.58</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>10.30</td> <td>13.03</td> <td>-2.73</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>For the financial period under review, 27.77% of the portfolio's NAV was invested in Local Collective Investment Schemes, 61.93% of its NAV in corporate bonds while the remaining 10.30% in money market deposits and cash equivalents.</p>		As at 31.10.2024 %	As at 30.04.2024 %	Changes %	Corporate bonds	61.93	61.78	0.15	Local Collective Investment Schemes	27.77	25.19	2.58	Money market deposits and cash equivalents	10.30	13.03	-2.73	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	As at 31.10.2024 %	As at 30.04.2024 %	Changes %																		
Corporate bonds	61.93	61.78	0.15																		
Local Collective Investment Schemes	27.77	25.19	2.58																		
Money market deposits and cash equivalents	10.30	13.03	-2.73																		
<b>Total</b>	<b>100.00</b>	<b>100.00</b>																			
<b>Securities Lending / Repurchase Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").																				
<b>Cross Trade</b>	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="379 1037 1522 1178"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>18-Jun-24</td> <td>1.2649</td> <td>1.1758</td> <td>1.1632</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)	18-Jun-24	1.2649	1.1758	1.1632												
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)																		
18-Jun-24	1.2649	1.1758	1.1632																		
<b>State of Affairs</b>	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.																				
<b>Rebates and Soft Commission</b>	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																				
<b>Market Review</b>	<p>During the first three month of period under review, Malaysia bond market is generally positive given the lower-than-expected United States (US) Job data released and dovish tone from US Federal Reserve (Fed) in its post - Federal Open Market Committee (FOMC) meeting speech. While Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% during May policy meeting with neutral monetary stance. Local bond sentiment was lifted by bullish movement in United States Treasury (UST) on continued disinflation in US coupled with positive net foreign inflow on the domestic bond market. Overall, Malaysian Government Securities (MGS) bull-steepened with yields declined by 13-25 basis points (bps) over the 3-month period.</p> <p>Moving towards the month of August to October, Malaysia bond market experienced a volatile period driven by profit taking activities given rich valuation of government bond coupled with absence of local catalyst. Sentiment on the local bond market was generally influenced by the sell-off in UST amid uncertainties surrounding US</p>																				



	<p>presidential election and prospect of slower rate cut by United States (US) Federal Reserve (Fed). During the corresponding period, US Fed announced a 50bps cut (first reduction since March 2020) to its benchmark interest rate. Meanwhile Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% as widely expected considering the current OPR level “remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects”. Overall, Malaysian Government Securities (MGS) curve bear-flattened during the period with yields rose 4-24bps.</p>
<b>Market Outlook</b>	<p>With Bank Negara Malaysia (BNM) expected to maintain the Overnight Policy Rate (OPR) at 3.0% throughout next year and inflation pressures remaining benign, we anticipate the bond market to stay resilient. Ample liquidity and strong demand will support this outlook. However, low yields and narrow credit spreads are likely to limit upside potential. The key risk into early 2025 is the uncertainty over the impending the extend of policy changes from the incoming Trump 2.0 administration.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

16 December 2024

**AmConservative****STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2024**

		<b>31.10.2024</b>	<b>30.04.2024</b>
		<b>(unaudited)</b>	<b>(audited)</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
Investments	4	2,216,842	2,370,329
Amount due from Manager	5(a)	500	2,795
Deposit with licensed financial institution	6	290,050	393,032
Cash at banks		10,536	11,124
<b>TOTAL ASSETS</b>		<b><u>2,517,928</u></b>	<b><u>2,777,280</u></b>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	3,107	7,394
Amount due to Trustee	7	85	92
Sundry payables and accruals		43,306	44,461
<b>TOTAL LIABILITIES</b>		<b><u>46,498</u></b>	<b><u>51,947</u></b>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<b><u>2,471,430</u></b>	<b><u>2,725,333</u></b>
<b>EQUITY</b>			
Unit holders’ capital	9(a)	2,159,359	2,401,579
Retained earnings	9(b)(c)	312,071	323,754
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<b><u>2,471,430</u></b>	<b><u>2,725,333</u></b>
<b>UNITS IN CIRCULATION</b>	9(a)	<b><u>2,126,343</u></b>	<b><u>2,334,015</u></b>
<b>NAV PER UNIT (RM)</b>		<b><u>1.1623</u></b>	<b><u>1.1677</u></b>

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

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

		<b>01.05.2024 to 31.10.2024</b>	<b>01.05.2023 to 31.10.2023</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>INVESTMENT INCOME</b>			
Distribution income		11,126	1,801
Interest income		42,073	54,877
Net (loss)/gain from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	<u>(6,875)</u>	<u>134</u>
		<u>46,324</u>	<u>56,812</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(16,688)	(19,175)
Trustee’s fee	7	(550)	(567)
Audit fee		(5,053)	(5,035)
Tax agent’s fee		(2,521)	(2,514)
Other expenses		<u>(3,086)</u>	<u>(2,916)</u>
		<u>(27,898)</u>	<u>(30,207)</u>
<b>Net income before taxation</b>		18,426	26,605
<b>Taxation</b>	11	<u>-</u>	<u>-</u>
<b>Net Income after taxation, representing total comprehensive Income for the financial period</b>		<u>18,426</u>	<u>26,605</u>
Total comprehensive income comprises the following:			
Realised income		41,322	32,233
Unrealised losses		<u>(22,896)</u>	<u>(5,628)</u>
		<u>18,426</u>	<u>26,605</u>
<b>Distribution for the financial period</b>			
Net distribution	12	<u>30,109</u>	<u>-</u>
Gross distribution per unit (sen)	12	<u>1.2649</u>	<u>-</u>
Net distribution per unit (sen)	12	<u>1.2649</u>	<u>-</u>

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

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

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 May 2024		2,401,579	323,754	2,725,333
Total comprehensive income for the financial period		-	18,426	18,426
Creation of units	9(a)	883,981	-	883,981
Reinvestment of distribution	9(a)	30,109	-	30,109
Cancellation of units	9(a)	(1,156,310)	-	(1,156,310)
Distribution	12	-	(30,109)	(30,109)
Balance at 31 October 2024		<u>2,159,359</u>	<u>312,071</u>	<u>2,471,430</u>
At 1 May 2023		3,061,916	221,716	3,283,632
Total comprehensive income for the financial period		-	26,605	26,605
Creation of units		984,165	-	984,165
Cancellation of units		(1,634,251)	-	(1,634,251)
Balance at 31 October 2023		<u>2,411,830</u>	<u>248,321</u>	<u>2,660,151</u>

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

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

	Note	01.05.2024 to 31.10.2024 RM	01.05.2023 to 31.10.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		897,715	1,158,857
Purchases of investments		(743,818)	(450,000)
Distribution received		-	65
Interest received		45,914	53,530
Manager's fee paid		(16,934)	(19,388)
Trustee's fee paid		(557)	(581)
Payments for other expenses		(11,815)	(11,666)
Net cash generated from operating and investing activities		<u>170,505</u>	<u>730,817</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		886,276	1,049,644
Payments for cancellation of units		(1,160,351)	(1,634,251)
Net cash used in financing activities		<u>(274,075)</u>	<u>(584,607)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(103,570)	146,210
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>404,156</u>	<u>696,386</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		<u>300,586</u>	<u>842,596</u>
Cash and cash equivalents comprise:			
Short-term deposit with licensed financial institution	6	290,050	832,068
Cash at banks		10,536	10,528
		<u>300,586</u>	<u>842,596</u>

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

## AmConservative

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 OCTOBER 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 16 December 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 period

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

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

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

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
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) Distribution income

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

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

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

**3.1 Income recognition (cont'd.)**

(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.

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 PERIOD FROM 1 MAY 2024 TO 31 OCTOBER 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 interest income, distribution income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**3.6 Unit holders' capital**

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

**3.7 Financial instruments – 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 PERIOD FROM 1 MAY 2024 TO 31 OCTOBER 2024**

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

**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.

*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.

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

*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 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.

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 separately 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 PERIOD FROM 1 MAY 2024 TO 31 OCTOBER 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 FVTPL (cont'd.)*

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

**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.

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

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

**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.

**3.12 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 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/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.

**3.13 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.

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

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

**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.

**4. INVESTMENTS**

	<b>31.10.2024</b>	<b>30.04.2024</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
Unquoted CIS	686,330	686,647
Unquoted fixed income securities	1,530,512	1,683,682
	<u>2,216,842</u>	<u>2,370,329</u>

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

<b>Name of trust</b>	<b>Number of units</b>	<b>Fair value RM</b>	<b>Purchased cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Unquoted CIS</b>				
AmBon Islam*	70,993	96,706	89,471	3.91
AmCumulative Growth*	137,924	128,628	130,000	5.20
AmDynamic Sukuk*	117,505	177,809	181,974	7.20
Asia Pacific Equity Income*	324,198	283,187	290,035	11.46
<b>Total unquoted CIS</b>	<u>650,620</u>	<u>686,330</u>	<u>691,480</u>	<u>27.77</u>

\* These CIS are managed by the Manager.

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

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

Details of investments as at 31 October 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>Unquoted fixed income securities</b>					
<b>Corporate bonds</b>					
28.08.2026	MTT Shipping Sdn. Bhd.	150,000	152,704	151,349	6.18
11.01.2030	Projek Lebuhraya Usahasama Berhad	500,000	523,382	507,027	21.18
03.05.2030	GENM Capital Berhad	300,000	317,537	307,871	12.85
26.07.2030	Sarawak Petchem Sdn. Bhd.	500,000	536,889	522,652	21.72
<b>Total unquoted fixed income securities</b>		<u>1,450,000</u>	<u>1,530,512</u>	<u>1,488,899</u>	<u>61.93</u>
<b>Total financial assets at FVTPL</b>			<u>2,216,842</u>	<u>2,180,379</u>	<u>89.70</u>
<b>Excess of fair value over purchased/adjusted cost</b>			<u>36,463</u>		

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

	<b>Note</b>	<b>31.10.2024 RM</b>	<b>30.04.2024 RM</b>
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>500</u>	<u>2,795</u>
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	-	4,041
Manager's fee payable	(iii)	<u>3,107</u>	<u>3,353</u>
		<u>3,107</u>	<u>7,394</u>

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

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

- (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 financial year and current financial period for creation and cancellation of units is three business days.

- (iii) Manager's fee is at a rate of 1.50% (30.04.2024: 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 financial year and current financial period for Manager's fee payable is one month.

**6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION**

	<b>31.10.2024</b>	<b>30.04.2024</b>
	<b>RM</b>	<b>RM</b>
At nominal value:		
Short-term deposit	<u>290,000</u>	<u>393,000</u>
At carrying value:		
Short-term deposit	<u>290,050</u>	<u>393,032</u>

Details of deposit with licensed financial institution is as follows:

<b>Maturity date</b>	<b>Financial institution</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>31.10.2024</b>				
<b>Short-term deposit</b>				
01.11.2024	CIMB Bank Berhad	<u>290,000</u>	<u>290,050</u>	<u>11.74</u>



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

**7. AMOUNT DUE TO TRUSTEE**

Trustee's fee is at a rate of 0.04% (30.04.2024: 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 (LOSS)/GAIN FROM INVESTMENTS**

	<b>01.05.2024 to 31.10.2024</b>	<b>01.05.2023 to 31.10.2023</b>
	<b>RM</b>	<b>RM</b>
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	16,021	5,762
– Net unrealised losses on changes in fair value of investments	<u>(22,896)</u>	<u>(5,628)</u>
	<u>(6,875)</u>	<u>134</u>

**9. TOTAL EQUITY**

Total equity is represented by:

	<b>Note</b>	<b>31.10.2024</b>	<b>30.04.2024</b>
		<b>RM</b>	<b>RM</b>
Unit holders' capital	(a)	2,159,359	2,401,579
Retained earnings			
– Realised income	(b)	275,608	264,395
– Unrealised gains	(c)	<u>36,463</u>	<u>59,359</u>
		<u>2,471,430</u>	<u>2,725,333</u>

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

	<b>31.10.2024</b>		<b>30.04.2024</b>	
	<b>Number of units</b>	<b>RM</b>	<b>Number of units</b>	<b>RM</b>
At beginning of the financial period/year	2,334,015	2,401,579	2,914,951	3,061,916
Creation during the financial period/year	759,801	883,981	1,398,987	1,600,300
Reinvestment of distribution	25,884	30,109	-	-
Cancellation during the financial period/year	<u>(993,357)</u>	<u>(1,156,310)</u>	<u>(1,979,923)</u>	<u>(2,260,637)</u>
At end of the financial period/year	<u>2,126,343</u>	<u>2,159,359</u>	<u>2,334,015</u>	<u>2,401,579</u>

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

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

**(b) Realised – distributable**

	<b>31.10.2024</b>	<b>30.04.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period/year	264,395	208,540
Net realised income for the financial period/year	41,322	55,855
Distribution out of realised income (Note 12)	(30,109)	-
At end of the financial period/year	<u>275,608</u>	<u>264,395</u>

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

	<b>31.10.2024</b>	<b>30.04.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period/year	59,359	13,176
Net unrealised (loss)/gain for the financial period/year	(22,896)	46,183
At end of the financial period/year	<u>36,463</u>	<u>59,359</u>

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

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

<u><b>Related parties</b></u>	<u><b>Relationships</b></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

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

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

	<b>31.10.2024</b>	<b>30.04.2024</b>
	<b>RM</b>	<b>RM</b>
<b>Significant related party balance</b>		
<u>AmBank (M) Berhad</u>		
Cash at bank	<u>78</u>	<u>5</u>

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

**11. TAXATION**

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

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>01.05.2024 to 31.10.2024</b>	<b>01.05.2023 to 31.10.2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>18,426</u>	<u>26,605</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	4,422	6,385
Tax effects of:		
Income not subject to tax	(16,774)	(14,986)
Losses not allowed for tax deduction	5,656	1,351
Restriction on tax deductible expenses for unit trust fund	4,696	5,229
Non-permitted expenses for tax purposes	1,478	1,439
Permitted expenses not used and not available for future financial periods	<u>522</u>	<u>582</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

**12. DISTRIBUTION**

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

	<b>01.05.2024 to 31.10.2024</b>
	<b>RM</b>
Gross distribution per unit (sen)	<u>1.2649</u>
Net distribution per unit (sen)	<u>1.2649</u>

**Financial period ended 31 October 2024**

<b>Distribution Ex-date</b>	<b>Gross distribution per unit RM (sen)</b>	<b>Net distribution per unit RM (sen)</b>	<b>Total distribution RM</b>
18 June 2024	<u>1.2649</u>	<u>1.2649</u>	<u>30,109</u>

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

**12. DISTRIBUTION (CONT'D.)**

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

The distribution declared for the financial period ended 31 October 2024 was proposed before taking into account the net realised loss of RM22,896 arising during the financial period which was carried forward to the next financial period.

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:

	<b>01.05.2024 to 31.10.2024</b>	<b>01.05.2023 to 31.10.2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	0.61	0.68
Trustee’s fee	0.02	0.02
Fund’s other expenses	0.39	0.37
Total TER	<u>1.02</u>	<u>1.07</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 0.30 times (01.05.2023 to 31.10.2023: 0.29 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 deposit with licensed financial institution.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 OCTOBER 2024

#### 15. SEGMENTAL REPORTING (CONT'D.)

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.

	01.05.2024 to 31.10.2024			01.05.2023 to 31.10.2023		
	CIS portfolio RM	Fixed income portfolio RM	Total RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
Distribution income	11,126	-	11,126	1,801	-	1,801
Interest income	-	42,073	42,073	-	54,877	54,877
Net (loss)/gain from investments:						
– Financial assets at FVTPL	(10,013)	3,138	(6,875)	6,351	(6,217)	134
Total segment investment income for the financial period	<u>1,113</u>	<u>45,211</u>	<u>46,324</u>	<u>8,152</u>	<u>48,660</u>	<u>56,812</u>

	31.10.2024			30.04.2024		
	CIS portfolio RM	Fixed income portfolio RM	Total RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
Financial assets at FVTPL	686,330	1,530,512	2,216,842	686,647	1,683,682	2,370,329
Deposit with licensed financial institution	-	290,050	290,050	-	393,032	393,032
Total segment assets	<u>686,330</u>	<u>1,820,562</u>	<u>2,506,892</u>	<u>686,647</u>	<u>2,076,714</u>	<u>2,763,361</u>

There were no segment liabilities as at 31 October 2024 and 30 April 2024.

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

**15. SEGMENTAL REPORTING (CONT'D.)**

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 taxation:

	<b>01.05.2024 to 31.10.2024</b>	<b>01.05.2023 to 31.10.2023</b>
	<b>RM</b>	<b>RM</b>
Net reportable segment investment income	46,324	56,812
Less: Expenses	(27,898)	(30,207)
Net income before taxation	<u>18,426</u>	<u>26,605</u>
Taxation	-	-
Net income after taxation	<u>18,426</u>	<u>26,605</u>

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.

	<b>31.10.2024</b>	<b>30.04.2024</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	2,506,892	2,763,361
Amount due from Manager	500	2,795
Cash at banks	10,536	11,124
Total assets of the Fund	<u>2,517,928</u>	<u>2,777,280</u>
Amount due to Manager	3,107	7,394
Amount due to Trustee	85	92
Sundry payables and accruals	43,306	44,461
Total liabilities of the Fund	<u>46,498</u>	<u>51,947</u>

**16. TRANSACTIONS WITH THE MANAGER AND BROKER**

Details of transactions with the Manager and broker for the financial period ended 31 October 2024 are as follows:

	<b>Transactions value</b>	
	<b>RM</b>	<b>%</b>
AmFunds Management Berhad	1,500,192	90.62
Hong Leong Investment Bank Berhad	155,311	9.38
Total	<u>1,655,503</u>	<u>100.00</u>

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

**16. TRANSACTIONS WITH THE MANAGER AND BROKER (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 unquoted fixed income instruments and CIS. Transactions in unquoted fixed income instruments and CIS 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 investment restrictions as stipulated by the Capital Markets 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.

**(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.

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

**17. 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 licensed financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

For deposits with licensed financial institutions, the Fund makes placements with licensed financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**(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 Manager 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.



**NOTES TO THE FINANCIAL STATEMENTS  
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**17. 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 Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

## **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 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmConservative (the “Fund”) as at 31 October 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

16 December 2024

## **TRUSTEE'S REPORT**

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

We have acted as Trustee of the Fund for the financial period ended 31 October 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

Lee Cincee  
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur  
16 December 2024

## DIRECTORY

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Email: enquiries@aminvest.com

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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.)*

