

Annual Report for

# AmDividend Income

30 November 2023



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

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

### **Board of Directors**

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

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

HSBC (Malaysia) Trustee Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmDividend Income ("Fund") for the financial year ended 30 November 2023.

### Salient Information of the Fund

<b>Name</b>	AmDividend Income ("Fund")
<b>Category/ Type</b>	Equity / Income and growth
<b>Objective</b>	<p>AmDividend Income aims to provide income* by investing in potentially high dividend yielding equities. The Fund also aims to provide steady capital growth.</p> <p><i>Notes:</i> <i>*The income could be in the form of units or cash.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	The Fund was established on 28 March 2005 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interest of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
<b>Performance Benchmark</b>	<p>FTSE Bursa Malaysia Top 100 Index ("FBM 100"). (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The benchmark does not imply that the risk profile of the Fund is the same as the risk profile of the benchmark. Investors of the Fund will assume a higher risk compared to the benchmark. Hence, the returns of the Fund may be potentially higher due to the higher risk faced by the investors.</i></p> <p><i>Source: FTSE International Limited ("FTSE") © FTSE 2023. "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>	Income distribution (if any) is paid at least once every year.

## Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 November are as follows:		
	As at 30 November		
	2023 %	2022 %	2021 %
Consumer discretionary	8.50	7.98	7.85
Consumer staples	7.09	4.30	5.50
Energy	2.04	1.32	1.97
Financials	27.26	32.24	27.93
Health care	3.03	2.79	1.87
Industrials	13.81	13.01	12.50
Information technology	10.29	8.29	8.33
Materials	5.46	5.02	8.03
Real estate/REITs	2.28	1.34	0.58
Telecommunication services	4.85	6.74	8.71
Utilities	5.86	5.27	5.37
Money market deposits and cash equivalents	9.53	11.70	11.36
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>		
Performance Details	Performance details of the Fund for the financial years ended 30 November are as follows:		
	FYE 2023	FYE 2022	FYE 2021
Net asset value (RM)*	18,911,602	19,836,089	21,332,546
Units in circulation*	64,317,932	68,255,717	67,357,541
Net asset value per unit (RM)*	0.2940	0.2906	0.3167
Highest net asset value per unit (RM)*	0.3020	0.3238	0.3785
Lowest net asset value per unit (RM)*	0.2791	0.2717	0.3153
Benchmark performance (%)	0.43	-3.87	-2.98
Total return (%) <sup>(1)</sup>	3.21	-1.93	5.52
- Capital growth (%)	1.18	-8.25	-6.32
- Income distribution (%)	2.03	6.32	11.84
Gross distributions (sen per unit)	0.59	2.00	4.00
Net distributions (sen per unit)	0.59	2.00	4.00
Total expense ratio (%) <sup>(2)</sup>	1.68	1.65	1.63
Portfolio turnover ratio (times) <sup>(3)</sup>	0.56	0.41	0.97
	* Above prices and net asset value per unit are shown as ex-distribution.		
	<i>Note:</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.		
	(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 increased by 0.03% as compared to 1.65% for the financial year ended 30 November 2022 mainly due to decrease in average fund size.		

(3) *Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2023 and decrease for 2022 were due mainly to investing activities.*

**Average Total Return (as at 30 November 2023)**

	<b>AmDividend Income<sup>(a)</sup> %</b>	<b>FBM 100<sup>(b)</sup> %</b>
One year	3.21	0.43
Three years	2.22	-2.16
Five years	6.60	-1.96
Ten years	4.50	-1.67

**Annual Total Return**

<b>Financial Years Ended (30 November)</b>	<b>AmDividend Income<sup>(a)</sup> %</b>	<b>FBM 100<sup>(b)</sup> %</b>
2023	3.21	0.43
2022	-1.93	-3.87
2021	5.52	-2.98
2020	18.78	1.75
2019	8.51	-4.97

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

(b) *FTSE Bursa Malaysia Top 100 Index (“FBM 100”).  
(Available at [www.aminvest.com](http://www.aminvest.com))*

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

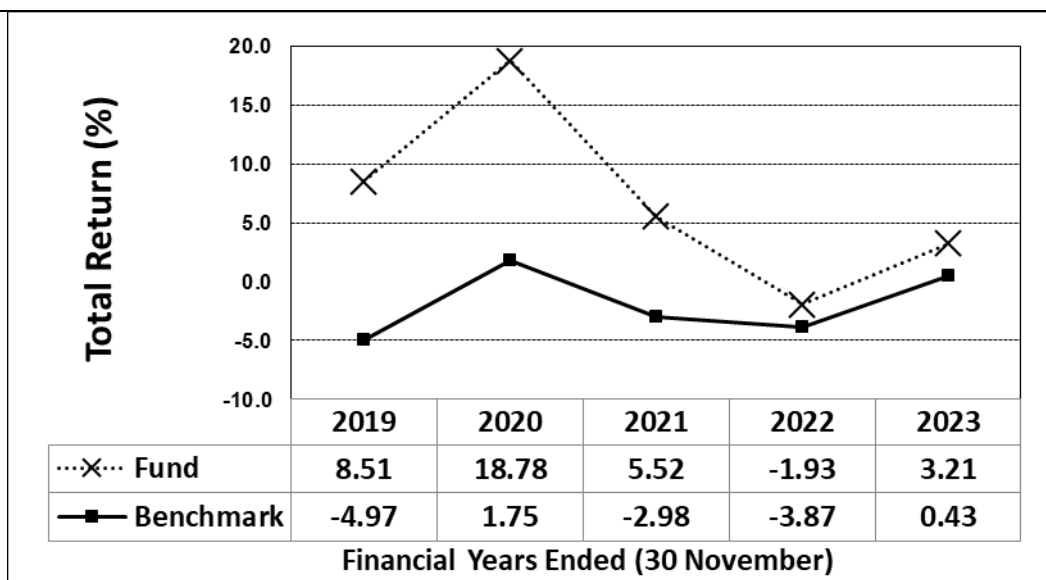
**Fund  
Performance**

For the financial year under review, the Fund registered a return of 3.21% comprising of 1.18% capital growth and 2.03% income distribution.

Thus, the Fund’s return of 3.21% has outperformed the benchmark’s return of 0.43% by 2.78%.

As compared with the financial year ended 30 November 2022, the net asset value (“NAV”) per unit of the Fund increased by 1.17% from RM0.2906 to RM0.2940, while units in circulation decreased by 5.77% from 68,255,717 units to 64,317,932 units.

The following line chart shows comparison between the annual performances of AmDividend Income and its benchmark, FBM 100, for financial years ended 30 November.



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

### Strategies and Policies Employed

For the financial year under review, the Fund invested a minimum 85% of the Fund's NAV in equities on average. Under normal circumstances of the investments in equities, at least 80% invested into the highest one third dividend yielding equities based on the last twelve months history. The Fund also invested up to 20% in equities that have potential high dividend yielding equities that fall within the investment criteria.

In times of actual or anticipated stock market weakness, the Manager may reduce its portion of equities to 40% and increase its asset allocation in assets that carry lower risk than equities such as fixed income instruments at the expense of the equities asset allocation (i.e. to increase the allocation in liquid assets or fixed income instruments beyond the stipulated asset allocation limit), to safeguard the investment of the Fund. During this period, the Fund's investment may differ from the stipulated asset allocation.

### Portfolio Structure

The table below is the asset allocation of the Fund as at 30 November 2023 and 30 November 2022.

	As at 30.11.2023 %	As at 30.11.2022 %	Changes %
Consumer discretionary	8.50	7.98	0.52
Consumer staples	7.09	4.30	2.79
Energy	2.04	1.32	0.72
Financials	27.26	32.24	-4.98
Health care	3.03	2.79	0.24
Industrials	13.81	13.01	0.80
Information technology	10.29	8.29	2.00
Materials	5.46	5.02	0.44
Real estate/REITs	2.28	1.34	0.94
Telecommunication services	4.85	6.74	-1.89
Utilities	5.86	5.27	0.59

		As at 30.11.2023 %	As at 30.11.2022 %	Changes %
	Money market deposits and cash equivalents	9.53	11.70	-2.17
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	For the financial year under review, there were some changes to the sector weights, the most notable being the increase in Consumer staples and Information Technology where weighting increased by 2.79% and 2.00% respectively. On the other hand, the Fund had decreased weight of the Financials and Telecommunication services by 4.98% and 1.89% respectively.			
<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 year under review.			
<b>Distribution/ Unit splits</b>	During the financial year under review, the Fund declared income distributions, detailed as follows:			
	<b>Date of distributions</b>	<b>Distributions per unit RM (sen)</b>	<b>NAV per unit Cum-Distributions (RM)</b>	<b>NAV per unit Ex-Distributions (RM)</b>
	25-May-23	0.04	0.2841	0.2837
	23-Nov-23	0.55	0.2997	0.2942
	There is no unit split declared for the financial year under review.			
<b>State of Affairs</b>	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.			
<b>Rebates and Soft Commission</b>	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.			
<b>Market Review</b>	<p>For the reporting year under review, the FBMKLCI declined by 2.42%, while Dow Jones gained 3.94%. The small caps outperformed the big caps with the Bursa Small Cap index gained 7.93% for the same period under review. In terms of sector performance, the Property sector outperformed other sectors, advancing +28.3%. In contrast, the Telecommunication underperformed, down by -8%. The top three gainers in KLCI components stocks were Sime Darby (21.89%), Malayan Banking (+11.31%) and Tenaga National (+11.04%) while the top losers were MR DIY Group (-26.22%), Axiata Group (-25.67%) and PPB Group (-15.94%).</p> <p>The focus for 4Q2022 in Malaysia was on the 15th General Elections (GE15). GE15 ended as expected - a hung parliament - with no coalition crossing the needed 112 seats. Despite some initial complications, Anwar Ibrahim was finally sworn in as Malaysia's 10th Prime Minister (PM) on 24 November via a unity government comprising of Pakatan Harapan (PH), Barisan Nasional (BN) and Gabungan Parti Sarawak (GPS) as the largest blocs. Since his appointment, sweeping measures were announced, amongst them: an audit of all direct</p>			



contract awards, a review of the 5G SPV Digital Nasional Bhd, dismissal of political appointees and an investigation of funds used by the previous Perikatan Nasional government. And while Malaysia may have ended the year without Budget 2023 yet to be tabled, a date was set for February 24th. Anwar Ibrahim commented that the previously tabled budget would stay mostly intact, with the first phase of people's cash aid to be disbursed in January 2023.

In the 1Q2023, there were talks of a MY-SG High Speed Rail revival, with MRT Corp confirming that private companies have submitted RFPs. Transport Minister Anthony Loke did say that he was open to a revival of the HSR project, on the assumption that it be private sector driven. Prime Minister (PM) Anwar and MITI Minister Zafrul had both promised 'major investment' announcements to follow from Prime Minister Anwar's trip to Beijing.

The 2Q2023 saw companies reporting their earnings for 1QCY2023, in which most experienced a QoQ earnings decline given a strong 4QCY2022 earnings base. Further weakness was noted in banks, plantations, and oil & gas given the decline in commodity prices and financials following the Silicon Valley Bank fallout in 1Q2023. While YoY optics for Malaysian companies were strongly reflective of price increases for consumer companies from a year ago, margins softened QoQ. This was reflected across most sectors due to the increase in minimum wages and electricity tariffs for commercial operations. Despite earnings cuts for banks, on an absolute basis by sector float adjustment, banks remain the key driver supporting the market's earnings base. Following the semi-annual review of the FBMKLCI index, Westports replaced Inari on 19th June, the only tech sector proxy in the index. However, the overall weighting of sectors will not change significantly. Banks will remain the heavyweight.

In the 3Q2023, the new government policies (NETR) and reviews of previous ones (12MP) were cause for much of the excitement in Malaysia. The first phase of National Energy Transition Roadmap will bring investments worth MYR25bn and benefit utilities players across the entire value chain, accelerate battery storage adoption and set up a carbon capture storage framework. A key highlight was 10 flagship projects, including the establishment of a RE Zone that translates to 4GW of new Renewable Energy. While much of the focus for the quarter was on the 'new economy' appeal, the mid-term review (MTR) of the 12th Malaysia Plan (12MP, 2021-2025), was unveiled, remaining supportive of the sector's prospects, especially for connectivity plays where the pace is speeding up. 10 specific logistics projects were outlined. Combined with other Capex mentioned, estimates are for the pipeline to total MYR95b (excluding MRT3 and high-speed rail), including private funded projects. While MRT3 was conspicuously missing in the MTR, the transport minister earlier noting the MRT historically relied on off-budget funding. Likewise, the High-Speed Rail revival will remain off balance sheet for now as a private endeavour.

In October 2023, Malaysia and Singapore have agreed to jointly develop the Johor-Singapore Special Economic Zone (SEZ). Singapore PM Lee said that as SEZ will improve flow of goods between the two countries, it needs special tax arrangements and bonded warehouses. A feasibility study will be conducted to find an easier arrangement of the flow of people who will be working on both sides with investor companies that would want to prepare a mix of personnel including professional and skilled workers as well as general workers.

Last but not least in November 2023, it was reported that the targeted subsidy for RON95 petrol targeted to be rolled out in 2H2024, according to Economic Minister Rafizi Ramli. He stressed the unsustainability of a system in which the top 20% income earners receive 53% of blanket fuel subsidies. Targeted subsidies is definitely on the card – but the government has been emphasizing

	that these will all be gradual implementation and together with targeted cash transfers, would help to mitigate the impact on inflation and consumption.
<b>Market Outlook</b>	<p>The recently concluded 3Q2023 results season translated to a pick-up in earnings momentum from the previous quarter. This is supported by the ratio of earnings misses-to-beats trending lower based on consensus estimates with earnings from banks and gloves surprising positively.</p> <p>Sentiment on the equity market is expected to improve as the market digests the positivity from the various government policy announcements and monitors the implementation. Going into 2004, we believe execution of the various policies launched in 2023 is key whilst fiscal reforms would continue to bring the country's balance sheet back to a stronger footing. The portfolio continues to position selectively into companies that are beneficiaries of the recent Budget and various government policy announcements namely 1) Johor plays; 2) Properties arising from relaxed MM2H policies; 3) Renewable energy transition, 4) Firmer Ringgit and 5) Anticipation of tourism and technology sector recovery.</p>
<b>Additional Information</b>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023.</li> <li>2) The Tenth Supplementary Master Prospectus dated 31 August 2023 has been registered with the Securities Commission Malaysia. The issuance of the Tenth Supplementary Master Prospectus is to be in line with the revised Guidelines on Unit Trust Funds and the Prospectus Guidelines for Collective Investment Schemes.</li> <li>3) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>4) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>5) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.</li> </ol> <p>Notice of issuance of the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the unit holders on 31 August 2023.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 January 2024

## **Independent auditors' report to the unit holders of AmDividend Income**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of AmDividend Income (“the Fund”), which comprise the statement of financial position as at 30 November 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 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 November 2023, 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 *Auditor's 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 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 is responsible for the other information. The other information comprises the information 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  
AmDividend Income (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 Trustees 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 to do so.

The Trustee is 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.

*Auditor's 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  
AmDividend Income (cont'd.)**

*Auditor's 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 planning and performance of 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 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  
AmDividend Income (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 January 2024

**AmDividend Income****STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2023**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>ASSETS</b>			
Investments	4	17,110,124	17,515,480
Dividend/Distribution receivables		3,526	9,802
Amount due from Manager	5(a)	78,431	48,636
Amount due from brokers	6	149,659	-
Deposits with licensed financial institutions	7	1,615,133	2,293,173
Cash at banks		11,316	11,373
<b>TOTAL ASSETS</b>		<b>18,968,189</b>	<b>19,878,464</b>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	41,200	27,014
Amount due to Trustee	8	772	795
Distribution payable	13	349	-
Sundry payables and accruals		14,266	14,566
<b>TOTAL LIABILITIES</b>		<b>56,587</b>	<b>42,375</b>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<b>18,911,602</b>	<b>19,836,089</b>
<b>EQUITY</b>			
Unit holders’ capital	10(a)	11,106,876	12,283,207
Retained earnings	10(b)(c)	7,804,726	7,552,882
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<b>18,911,602</b>	<b>19,836,089</b>
<b>UNITS IN CIRCULATION</b>	10(a)	<b>64,317,932</b>	<b>68,255,717</b>
<b>NAV PER UNIT (RM) – EX-DISTRIBUTION</b>		<b>0.2940</b>	<b>0.2906</b>

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

## AmDividend Income

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Dividend/Distribution income		701,857	922,301
Interest income		59,478	47,367
Net gain/(loss) from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	251,028	(980,051)
Other net realised gain on foreign currency exchange		-	1,764
		<u>1,012,363</u>	<u>(8,619)</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(283,352)	(300,285)
Trustee’s fee	8	(9,445)	(10,009)
Audit fee		(7,000)	(7,000)
Tax agent’s fee		(5,200)	(5,200)
Brokerage and other transaction fees		(69,355)	(56,893)
Other expenses		(12,246)	(7,126)
		<u>(386,598)</u>	<u>(386,513)</u>
<b>Net income/(loss) before taxation</b>		625,765	(395,132)
<b>Taxation</b>	12	<u>(1,351)</u>	<u>(769)</u>
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year</b>		<u>624,414</u>	<u>(395,901)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income		550,770	537,806
Unrealised gain/(loss)		73,644	(933,707)
		<u>624,414</u>	<u>(395,901)</u>
<b>Distributions for the financial year</b>			
Net distributions	13	<u>372,570</u>	<u>1,300,896</u>
Gross distributions per unit (sen)	13	<u>0.59</u>	<u>2.00</u>
Net distributions per unit (sen)	13	<u>0.59</u>	<u>2.00</u>

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



## AmDividend Income

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 December 2022		12,283,207	7,552,882	19,836,089
Total comprehensive income for the financial year		-	624,414	624,414
Creation of units	10(a)	4,588,371	-	4,588,371
Reinvestment of distributions	10(a),13	372,221	-	372,221
Cancellation of units	10(a)	(6,136,923)	-	(6,136,923)
Distributions	13	-	(372,570)	(372,570)
Balance at 30 November 2023		<u>11,106,876</u>	<u>7,804,726</u>	<u>18,911,602</u>
At 1 December 2021		12,082,867	9,249,679	21,332,546
Total comprehensive loss for the financial year		-	(395,901)	(395,901)
Creation of units	10(a)	1,583,965	-	1,583,965
Reinvestment of distribution	10(a),13	1,299,630	-	1,299,630
Cancellation of units	10(a)	(2,683,255)	-	(2,683,255)
Distribution	13	-	(1,300,896)	(1,300,896)
Balance at 30 November 2022		<u>12,283,207</u>	<u>7,552,882</u>	<u>19,836,089</u>

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

## AmDividend Income

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

	Note	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		10,818,821	8,513,440
Purchase of investments		(10,312,096)	(8,168,084)
Dividends/Distributions received		706,782	918,462
Interest received		59,478	47,367
Manager's fee paid		(284,176)	(303,125)
Trustee's fee paid		(9,468)	(10,149)
Tax agent's fee paid		(5,200)	(5,200)
Payments for other expenses		(88,901)	(71,513)
Net cash generated from operating and investing activities		<u>885,240</u>	<u>921,198</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		4,558,576	1,897,003
Payments for cancellation of units		(6,121,913)	(2,683,255)
Distributions paid		-	(2,532)
Net cash used in financing activities		<u>(1,563,337)</u>	<u>(788,784)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(678,097)	132,414
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>2,304,546</u>	<u>2,172,132</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u><u>1,626,449</u></u>	<u><u>2,304,546</u></u>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	7	1,615,133	2,293,173
Cash at banks		<u>11,316</u>	<u>11,373</u>
		<u><u>1,626,449</u></u>	<u><u>2,304,546</u></u>

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

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 1. GENERAL INFORMATION

AmDividend Income (“the Fund”) was established pursuant to a Deed dated 18 March 2005 as amended by Deeds supplemental thereto (“the Deed”), 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 to provide income by investing in potentially high dividend yielding equities and steady capital growth. As provided in the Deed, the financial year shall end on 30 September and the units in the Fund were first offered for sale on 28 March 2005.

The Fund has changed its financial year end from 30 September to 30 November pursuant to the AmMaster Fifteenth Supplemental Deed dated 12 July 2007.

The financial statements were authorised for issue by the Manager on 18 January 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 which became effective during the financial year 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 MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020” Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i> )*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i> )*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> )	1 January 2022
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i> )*	1 January 2022

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

##### Standards issued but not yet effective

The standards and 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
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 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</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
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 SIGNIFICANT 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) Dividend/Distribution income

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

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

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

(ii) Interest income

Interest income on short-term deposits is recognised on an accrual basis using the effective interest method.

(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 Foreign currency transactions

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

##### 3.5 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.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

##### 3.6 Distribution

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from dividend/distribution income, interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

##### 3.7 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").

##### 3.8 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.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

##### 3.9 Financial assets under MFRS 9

###### Classification and measurement

The classification of financial assets depends on the Fund's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

###### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

###### Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

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". Dividend/distribution revenue and interest earned elements of such instruments are recorded separately in "Dividend/distribution income" and "Interest income" respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

**3. SUMMARY OF SIGNIFICANT 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.)*

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.

The Fund subsequently measures its investments in 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.

**3.10 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 holders. 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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

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

**3.11 Derecognition of financial instruments (cont'd.)**

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

- the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

**3.12 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 quoted equity securities and CIS, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. Purchased cost is the quoted price that the Fund paid when buying its investments. The difference between the 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.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

##### 3.14 Classification of realised and unrealised gains and losses

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

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

##### 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 holders' cancellation of units.

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

#### 4. INVESTMENTS

	2023 RM	2022 RM
<b>Financial assets at FVTPL</b>		
Quoted equity securities	16,729,165	17,363,080
Quoted CIS	380,959	152,400
	<u>17,110,124</u>	<u>17,515,480</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

Details of investments as at 30 November 2023 are as follows:

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted equity securities</b>				
<b>Consumer discretionary</b>				
Berjaya Food Berhad	134,000	84,420	130,034	0.45
Bonia Corporation Berhad	41,000	70,110	98,146	0.37
Genting Berhad	141,000	659,880	627,347	3.49
Genting Malaysia Berhad	144,000	384,480	377,007	2.03
MR D.I.Y. Group (M) Berhad	267,000	408,510	622,069	2.16
	<u>727,000</u>	<u>1,607,400</u>	<u>1,854,603</u>	<u>8.50</u>
<b>Consumer staples</b>				
Genting Plantations Berhad	23,000	125,810	137,917	0.67
Guan Chong Berhad	134,000	254,600	373,793	1.35
IOI Corporation Berhad	24,000	96,480	94,560	0.51
Kuala Lumpur Kepong Berhad	14,000	306,320	315,046	1.62
QL Resources Berhad	47,000	263,670	279,270	1.39
Sime Darby Plantation Berhad	65,000	293,150	277,704	1.55
	<u>307,000</u>	<u>1,340,030</u>	<u>1,478,290</u>	<u>7.09</u>
<b>Energy</b>				
Dialog Group Berhad	115,000	254,150	347,429	1.34
Yinson Holdings Berhad	55,000	132,550	131,208	0.70
	<u>170,000</u>	<u>386,700</u>	<u>478,637</u>	<u>2.04</u>
<b>Financials</b>				
Bank Islam Malaysia Berhad	154,000	351,120	429,868	1.86
CIMB Group Holdings Berhad	176,000	994,400	830,861	5.26
Hong Leong Bank Berhad	5,000	95,000	84,947	0.50
Malayan Banking Berhad	183,000	1,643,340	1,534,530	8.69
Public Bank Berhad	393,000	1,678,110	1,459,399	8.87
RHB Bank Berhad	72,000	392,400	396,011	2.08
	<u>983,000</u>	<u>5,154,370</u>	<u>4,735,616</u>	<u>27.26</u>
<b>Health care</b>				
Focus Point Holdings Berhad	165,400	126,531	131,421	0.67
IHH Healthcare Berhad	64,000	373,120	397,073	1.97
Top Glove Corporation Bhd.	90,000	72,900	87,750	0.39
	<u>319,400</u>	<u>572,551</u>	<u>616,244</u>	<u>3.03</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

Details of investments as at 30 November 2023 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted equity securities (cont'd.)</b>				
<b>Industrials</b>				
CTOS Digital Berhad	242,000	350,900	367,800	1.86
Frontken Corporation Berhad	69,500	221,010	202,121	1.17
Kinergy Advancement Berhad	1,081,000	394,565	354,972	2.09
Malaysia Airports Holdings Berhad	39,000	280,020	228,476	1.48
Malaysian Resources Corporation Berhad	216,000	91,800	92,880	0.48
MISC Berhad	88,000	632,720	690,008	3.35
My E.G. Services Berhad	153,000	121,635	121,252	0.64
Pentamaster Corporation Berhad	38,000	180,120	198,875	0.95
Samaiden Group Berhad	80,000	88,800	94,366	0.47
Sime Darby Berhad	80,000	197,600	179,446	1.04
Volcano Berhad	60,000	52,500	53,810	0.28
	<u>2,146,500</u>	<u>2,611,670</u>	<u>2,584,006</u>	<u>13.81</u>
<b>Information technology</b>				
Cape EMS Berhad	88,700	95,796	105,800	0.51
Cloudpoint Technology Berhad	330,000	179,850	192,177	0.95
D & O Green Technologies Berhad	30,000	105,000	108,609	0.55
Dagang NeXchange Berhad	289,000	115,600	219,898	0.61
Datasonic Group Berhad	637,000	277,095	297,919	1.47
Genetec Technology Berhad	91,000	215,670	226,861	1.14
Globetronics Technology Bhd.	97,000	156,170	181,522	0.83
Greatech Technology Berhad	62,000	289,540	320,513	1.53
Inari Amertron Berhad	37,400	109,208	106,326	0.58
Malaysian Pacific Industries Berhad	2,000	53,600	59,532	0.28
NationGate Holdings Berhad	152,000	197,600	203,460	1.04
V.S. Industry Berhad	169,000	151,255	171,427	0.80
	<u>1,985,100</u>	<u>1,946,384</u>	<u>2,194,044</u>	<u>10.29</u>
<b>Materials</b>				
PETRONAS Chemicals Group Berhad	72,000	519,840	608,755	2.75
Press Metal Aluminium Holdings Berhad	106,800	512,640	595,489	2.71
	<u>178,800</u>	<u>1,032,480</u>	<u>1,204,244</u>	<u>5.46</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

Details of investments as at 30 November 2023 are as follows: (cont'd.)

Name of company	Number of shares/units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted equity securities (cont'd.)</b>				
<b>Real estate</b>				
S P Setia Berhad	68,000	50,660	55,760	0.27
<b>Telecommunication services</b>				
Axiata Group Berhad	130,000	293,800	462,621	1.55
CelcomDigi Berhad	49,000	212,660	207,362	1.12
Telekom Malaysia Berhad	51,000	268,770	202,033	1.42
TIME dotCom Berhad	28,000	142,800	92,321	0.76
	258,000	918,030	964,337	4.85
<b>Utilities</b>				
Tenaga Nasional Berhad	111,000	1,108,890	1,261,927	5.86
<b>Total quoted equity securities</b>	<b>7,253,800</b>	<b>16,729,165</b>	<b>17,427,708</b>	<b>88.46</b>
<b>Quoted CIS</b>				
<b>Real estate</b>				
Pavilion Real Estate Investment Trust	144,000	175,680	175,680	0.93
YTL Hospitality Real Estate Investment Trust	199,300	205,279	195,284	1.08
	343,300	380,959	370,964	2.01
<b>Total quoted CIS</b>	<b>343,300</b>	<b>380,959</b>	<b>370,964</b>	<b>2.01</b>
<b>Total financial assets at FVTPL</b>	<b>7,597,100</b>	<b>17,110,124</b>	<b>17,798,672</b>	<b>90.47</b>
<b>Shortfall of fair value over purchased cost</b>		<b>(688,548)</b>		

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

	Note	2023 RM	2022 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>78,431</u>	<u>48,636</u>
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	15,010	-
Manager's fee payable	(iii)	<u>26,190</u>	<u>27,014</u>
		<u>41,200</u>	<u>27,014</u>

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

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

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

(iii) Manager's fee is at a rate of 1.50% (2022: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis. As the Fund invested in a CIS, the Manager's fee related to the CIS has been charged by the Manager of the CIS.

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

#### 6. AMOUNT DUE FROM BROKERS

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

#### 7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2023 RM	2022 RM
At nominal value:		
Short-term deposits	<u>1,615,000</u>	<u>2,293,000</u>
At carrying value:		
Short-term deposits	<u>1,615,133</u>	<u>2,293,173</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS (CONT'D.)

Details of deposits with licensed financial institutions are as follows:

<b>Maturity date</b>	<b>Financial institutions</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>2023</b>				
<b>Short-term deposits</b>				
01.12.2023	CIMB Bank Berhad	793,000	793,065	4.19
01.12.2023	Public Bank Berhad	822,000	822,068	4.35
		<u>1,615,000</u>	<u>1,615,133</u>	<u>8.54</u>

The weighted average effective interest rate and weighted average remaining maturities of short-term deposits are as follows:

	<b>Weighted average effective interest rate</b>		<b>Weighted average remaining maturities</b>	
	<b>2023 %</b>	<b>2022 %</b>	<b>2023 Day</b>	<b>2022 Day</b>
Short-term deposits	<u>3.00</u>	<u>2.75</u>	<u>1</u>	<u>1</u>

#### 8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.05% (2022: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### 9. NET GAIN/(LOSS) FROM INVESTMENTS

	<b>2023 RM</b>	<b>2022 RM</b>
Net gain/(loss) on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of investments	177,384	(46,344)
- Net unrealised gain/(loss) on changes in fair value of investments	<u>73,644</u>	<u>(933,707)</u>
	<u>251,028</u>	<u>(980,051)</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 10. TOTAL EQUITY

Total equity is represented by:

	Note	2023 RM	2022 RM
Unit holders' capital	(a)	11,106,876	12,283,207
Retained earnings			
– Realised income	(b)	8,493,274	8,315,074
– Unrealised losses	(c)	(688,548)	(762,192)
		<u>18,911,602</u>	<u>19,836,089</u>

#### (a) Unit holders' capital/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	68,255,717	12,283,207	67,357,541	12,082,867
Creation during the financial year	15,820,456	4,588,371	5,194,331	1,583,965
Reinvestment of distributions (Note 13)	1,268,460	372,221	4,466,080	1,299,630
Cancellation during the financial year	(21,026,701)	(6,136,923)	(8,762,235)	(2,683,255)
At end of the financial year	<u>64,317,932</u>	<u>11,106,876</u>	<u>68,255,717</u>	<u>12,283,207</u>

#### (b) Realised – distributable

	2023 RM	2022 RM
At beginning of the financial year	8,315,074	9,078,164
Net realised income for the financial year	550,770	537,806
Distributions out of realised income (Note 13)	(372,570)	(1,300,896)
At end of the financial year	<u>8,493,274</u>	<u>8,315,074</u>

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

	2023 RM	2022 RM
At beginning of the financial year	(762,192)	171,515
Net unrealised gain/(loss) for the financial year	73,644	(933,707)
At end of the financial year	<u>(688,548)</u>	<u>(762,192)</u>



## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

There are no units held by the Manager or any related party as at 30 November 2023 and 30 November 2022.

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Significant related party balances</b>		
<u>AmBank Berhad</u>		
Cash at banks	991	1,013

#### 12. TAXATION

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Local tax	1,351	769

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

The taxation charge for the financial year is related to withholding tax derived from local REITs.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 12. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to net income/(loss) 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>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net income/(loss) before taxation	<u>625,765</u>	<u>(395,132)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	150,184	(94,832)
Tax effects of:		
Income not subject to tax	(241,616)	(232,374)
Losses not allowed for tax deduction	13	235,212
Restriction on tax deductible expenses for unit trust fund	62,716	66,374
Non-permitted expenses for tax purposes	23,086	19,015
Permitted expenses not used and not available for future financial years	<u>6,968</u>	<u>7,374</u>
Tax expense for the financial year	<u>1,351</u>	<u>769</u>

#### 13. DISTRIBUTIONS

Distributions to unit holders declared for the current and previous financial years are from the following sources:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Undistributed net realised income brought forward	-	553,843
Dividend/Distribution income	568,581	336,906
Interest income	48,185	19,235
Net realised gain from investments	<u>143,753</u>	<u>596,592</u>
	760,519	1,506,576
Less: Expenses	(386,598)	(205,420)
Taxation	<u>(1,351)</u>	<u>(260)</u>
Total amount of distributions	<u>372,570</u>	<u>1,300,896</u>
Gross distributions per unit (sen)	<u>0.59</u>	<u>2.00</u>
Net distributions per unit (sen)	<u>0.59</u>	<u>2.00</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 13. DISTRIBUTIONS (CONT'D.)

Distributions to unit holders declared for the current and previous financial years are from the following sources: (cont'd.)

	2023 RM	2022 RM
Distributions made out of:		
- Realised income [Note 10(b)]	<u>372,570</u>	<u>1,300,896</u>
Comprising:		
Reinvestment of distributions [Note 10(a)]	372,221	1,299,630
Distribution payable	349	-
Cash distribution	-	1,266
	<u>372,570</u>	<u>1,300,896</u>

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

#### Financial year ended 30 November 2023

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
25 May 2023	0.04	0.04	25,943
23 November 2023	0.55	0.55	346,627
	<u>0.59</u>	<u>0.59</u>	<u>372,570</u>

#### Financial year ended 30 November 2022

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
27 May 2022	<u>2.00</u>	<u>2.00</u>	<u>1,300,896</u>

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.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 13. DISTRIBUTIONS (CONT'D.)

Included in the distribution for the financial year ended 30 November 2022 was RM553,843 distributed from previous financial years' net realised income.

The distribution declared for the financial year ended 30 November 2022 was proposed before taking into account the net unrealised loss of RM933,707 during the financial year which was carried forward to the current financial year.

#### 14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	<b>2023</b>	<b>2022</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager's fee	1.50	1.50
Trustee's fee	0.05	0.05
Fund's other expenses	0.13	0.10
Total TER	<u>1.68</u>	<u>1.65</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.

#### 15. 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 0.56 times (2022: 0.41 times).

#### 16. 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 equity instruments, including CIS; and
- A portfolio of fixed income instruments, including deposits with licensed 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 year.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

	Equity portfolio RM	2023 Fixed income portfolio RM	Total RM	Equity portfolio RM	2022 Fixed income portfolio RM	Total RM
Dividend/ Distribution income	701,857	-	701,857	922,301	-	922,301
Interest income	-	59,478	59,478	-	47,367	47,367
Net gain/(loss) from investments:						
- Financial assets at FVTPL	251,028	-	251,028	(980,051)	-	(980,051)
Other net realised gain on foreign currency exchange	-	-	-	1,764	-	1,764
Total segment investment income/(loss) for the financial year	<u>952,885</u>	<u>59,478</u>	<u>1,012,363</u>	<u>(55,986)</u>	<u>47,367</u>	<u>(8,619)</u>
Financial assets at FVTPL	17,110,124	-	17,110,124	17,515,480	-	17,515,480
Dividend/ Distribution receivables	3,526	-	3,526	9,802	-	9,802
Amount due from broker	149,659	-	149,659	-	-	-
Deposits with licensed financial institutions	-	1,615,133	1,615,133	-	2,293,173	2,293,173
Total segment assets	<u>17,263,309</u>	<u>1,615,133</u>	<u>18,878,442</u>	<u>17,525,282</u>	<u>2,293,173</u>	<u>19,818,455</u>

There is no segment liability as at 30 November 2023 and 30 November 2022.

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/(loss) and net income/(loss) after taxation:

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

	2023	2022
	RM	RM
Net reportable segment investment income/(loss)	1,012,363	(8,619)
Less: Expenses	(386,598)	(386,513)
Net income/(loss) before taxation	625,765	(395,132)
Taxation	(1,351)	(769)
Net income/(loss) after taxation	624,414	(395,901)

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.

	2023	2022
	RM	RM
Total segment assets	18,878,442	19,818,455
Amount due from Manager	78,431	48,636
Cash at banks	11,316	11,373
Total assets of the Fund	18,968,189	19,878,464
Amount due to Manager	41,200	27,014
Amount due to Trustee	772	795
Distribution payable	349	-
Sundry payables and accruals	14,266	14,566
Total liabilities of the Fund	56,587	42,375

#### 17. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 30 November 2023 are as follows:

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Public Investment Bank Berhad	6,524,371	30.66	20,566	29.58
Maybank Investment Bank Berhad	4,621,426	21.72	15,701	22.59
AmInvestment Bank Berhad*	3,395,602	15.95	11,992	17.25
RHB Investment Bank Berhad	2,496,055	11.73	7,702	11.08
Hong Leong Investment Bank Berhad	889,707	4.18	2,716	3.91
Kenanga DMG Futures Sdn. Bhd.	671,714	3.16	1,974	2.84
Macquarie Securities (Australia) Limited	568,183	2.67	1,818	2.62
CLSA Securities Malaysia Sdn. Bhd.	468,680	2.20	1,502	2.16
Nomura Securities Malaysia Sdn. Bhd.	440,730	2.07	1,456	2.09
Affin Hwang Investment Bank Berhad	329,818	1.55	1,083	1.56
Other brokers and financial institutions	874,290	4.11	3,006	4.32
Total	21,280,576	100.00	69,516	100.00

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 17. TRANSACTIONS WITH BROKERS (CONT'D.)

\* 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 listed equity securities and CIS.

#### 18. FINANCIAL INSTRUMENTS

##### (a) Classification of financial instruments

The significant 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
<b>2023</b>				
<b>Assets</b>				
Investments	17,110,124	-	-	17,110,124
Dividend/Distribution receivables	-	3,526	-	3,526
Amount due from Manager	-	78,431	-	78,431
Amount due from brokers	-	149,659	-	149,659
Deposits with licensed financial institutions	-	1,615,133	-	1,615,133
Cash at banks	-	11,316	-	11,316
Total financial assets	<u>17,110,124</u>	<u>1,858,065</u>	<u>-</u>	<u>18,968,189</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	41,200	41,200
Amount due to Trustee	-	-	772	772
Distribution payable	-	-	349	349
Total financial liabilities	<u>-</u>	<u>-</u>	<u>42,321</u>	<u>42,321</u>

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 18. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2022</b>				
<b>Assets</b>				
Investments	17,515,480	-	-	17,515,480
Dividend receivables	-	9,802	-	9,802
Amount due from Manager	-	48,636	-	48,636
Deposits with licensed financial institutions	-	2,293,173	-	2,293,173
Cash at banks	-	11,373	-	11,373
Total financial assets	<u>17,515,480</u>	<u>2,362,984</u>	<u>-</u>	<u>19,878,464</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	27,014	27,014
Amount due to Trustee	-	-	795	795
Total financial liabilities	<u>-</u>	<u>-</u>	<u>27,809</u>	<u>27,809</u>
			<b>Income, expenses, gains, and losses</b>	
			<b>2023</b>	<b>2022</b>
			<b>RM</b>	<b>RM</b>
Net gain/(loss) from financial assets at FVTPL			251,028	(980,051)
Income, of which derived from:				
– Dividend/Distribution income from financial assets at FVTPL			701,857	922,301
– Interest income from financial assets at amortised cost			59,478	47,367
– Other net realised gain on foreign currency exchange			-	1,764

##### (b) Financial instruments that are carried at fair value

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



## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 18. FINANCIAL INSTRUMENTS (CONT'D.)

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

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 RM	Level 2 RM	Level 3 RM	Total RM
<b>2023</b>				
Financial assets at FVTPL	<u>17,110,124</u>	<u>-</u>	<u>-</u>	<u>17,110,124</u>
<b>2022</b>				
Financial assets at FVTPL	<u>17,515,480</u>	<u>-</u>	<u>-</u>	<u>17,515,480</u>

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

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

- Dividend/Distribution receivables
- Amount due from/to Manager
- Amount due from brokers
- Deposits with licensed financial institutions
- Cash at banks
- Amount due to Trustee
- Distribution payable

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

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

#### 19. 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, country 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 Deed as the backbone of risk management of the Fund.

##### (a) Market risk

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

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

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	
	2023	2022
	RM	RM
-5.00%	(855,506)	(875,774)
+5.00%	855,506	875,774

##### (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.

## AmDividend Income

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

##### (a) Market risk (cont'd.)

##### (ii) Interest rate risk (cont'd.)

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

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2023 RM	2022 RM
+100bps	(43)	(61)
-100bps	43	61

##### (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. Credit risk applies to short-term deposits and dividend/distribution receivables. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investments to fluctuate in value.

For deposits with financial institutions, the Fund makes placements with 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 asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

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

**(d) Single issuer risk**

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

**(e) Regulatory risk**

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

**(f) Country risk**

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the NAV of the Fund may be adversely affected.

**(g) Management risk**

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

**(h) Non-compliance risk**

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

**20. CAPITAL MANAGEMENT**

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

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

No changes were made in the objective, policies or processes during the financial years ended 30 November 2023 and 30 November 2022.

## **AmDividend Income**

### **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 AmDividend Income (“the Fund”) as at 30 November 2023 and 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 January 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMDIVIDEND INCOME ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 November 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
Date: 18 January 2024

## DIRECTORY

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

