

Semi-Annual Report for

AmDividend Income

31 May 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

AmFunds Management Berhad
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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 unaudited accounts of AmDividend Income ("Fund") for the financial period from 1 December 2023 to 31 May 2024.

Salient Information of the Fund

Name	AmDividend Income ("Fund")
Category/ Type	Equity / Income and growth
Objective	<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>
Duration	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.
Performance Benchmark	<p>FTSE Bursa Malaysia Top 100 Index ("FBM 100"). (Available at www.aminvest.com)</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 2024. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "BURSA MALAYSIA" is a trade mark of Bursa Malaysia Berhad ("BURSA MALAYSIA"). All intellectual property rights in the index values and constituent list vests in FTSE and BURSA MALAYSIA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.</i></p>
Income Distribution Policy	Income distribution (if any) is paid at least once every year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 May 2024 and for the past three financial years are as follows:			
		As at 31.05.2024 %	As at 30 November	
		2023 %	2022 %	2021 %
Consumer discretionary	6.55	8.50	7.98	7.85
Consumer staples	2.81	7.09	4.30	5.50
Energy	3.00	2.04	1.32	1.97
Financials	26.48	27.26	32.24	27.93
Health care	7.40	3.03	2.79	1.87
Industrials	12.32	13.81	13.01	12.50
Information technology	9.12	10.29	8.29	8.33
Materials	5.77	5.46	5.02	8.03
Real estate/REITs	5.33	2.28	1.34	0.58
Telecommunication services	5.03	4.85	6.74	8.71
Utilities	9.82	5.86	5.27	5.37
Money market deposits and cash equivalents	6.37	9.53	11.70	11.36
Total	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial period ended 31 May 2024 and three financial years ended 30 November are as follows:			
		FPE 31.05.2024	FYE 2023	FYE 2022
Net asset value (RM)	18,730,179	18,911,602	19,836,089	21,332,546
Units in circulation	56,876,156	64,317,932	68,255,717	67,357,541
Net asset value per unit (RM)	0.3293	0.2940	0.2906	0.3167
Highest net asset value per unit (RM)	0.3352	0.3020	0.3238	0.3785
Lowest net asset value per unit (RM)	0.2923	0.2791	0.2717	0.3153
Benchmark performance (%)	13.21	0.43	-3.87	-2.98
Total return (%) ⁽¹⁾	12.01	3.21	-1.93	5.52
- Capital growth (%)	12.01	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 (%) ⁽²⁾	0.86	1.68	1.65	1.63
Portfolio turnover ratio (times) ⁽³⁾	0.58	0.56	0.41	0.97

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 May 2024)

	AmDividend Income^(a) %	FBM 100^(b) %
One year	19.00	18.29
Three years	4.16	1.67
Five years	7.69	0.55
Ten years	4.91	-0.68

Annual Total Return

Financial Years Ended (30 November)	AmDividend Income^(a) %	FBM 100^(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)

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.

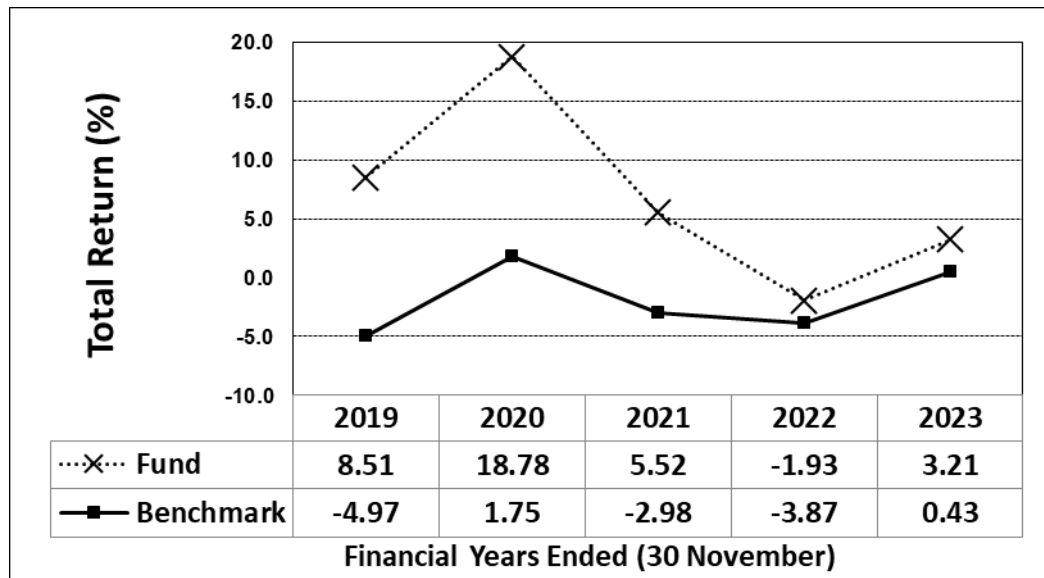
**Fund
Performance**

For the financial period under review, the Fund registered a return of 12.01% which is entirely capital growth in nature.

Thus, the Fund’s return of 12.01% has underperformed the benchmark’s return of 13.21% by 1.20%.

As compared with the financial year ended 30 November 2023, the net asset value (“NAV”) per unit of the Fund increased by 12.01% from RM0.2940 to RM0.3293, while units in circulation decreased by 11.57% from 64,317,932 units to 56,876,156 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 period 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 31 May 2024 and 30 November 2023.

	As at 31.05.2024 %	As at 30.11.2023 %	Changes %
Consumer discretionary	6.55	8.50	-1.95
Consumer staples	2.81	7.09	-4.28
Energy	3.00	2.04	0.96
Financials	26.48	27.26	-0.78
Health care	7.40	3.03	4.37
Industrials	12.32	13.81	-1.49
Information technology	9.12	10.29	-1.17
Materials	5.77	5.46	0.31
Real estate/REITs	5.33	2.28	3.05
Telecommunication services	5.03	4.85	0.18

		As at 31.05.2024 %	As at 30.11.2023 %	Changes %
	Utilities	9.82	5.86	3.96
	Money market deposits and cash equivalents	6.37	9.53	-3.16
	Total	100.00	100.00	
	For the financial period under review, there were some changes to the sector weights, the most notable being the increase in Healthcare and Utilities where weighting increased by 4.37% and 3.96% respectively. On the other hand, the Fund had decreased weight of the Consumer staples by 4.28%.			
Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).			
Cross Trades	There were no cross trades undertaken during the financial period under review.			
Distribution/ Unit splits	There is no income distribution and unit split declared for the financial period under review.			
State of Affairs	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 period under review.			
Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.			
Market Review	<p>In 4Q2023, Malaysia’s domestic thematic continues to remain strong, leading the market in gains. It was evident that State-driven themes led the excitement, with the rhetoric remaining intact for 2024. Alongside new government policies (National Energy Transformation Roadmap, New Industrial Master Plan), the mega infrastructure projects have returned with gusto. In 4Q alone, progress has been made in terms of planning for the High-Speed Rail, MRT3, LRT3, Penang LRT. Meanwhile the States of Johor and Sarawak have also proposed their own State rails. More details are expected to be unveiled for the Johor Special Economic Zone early January, catalytic for infrastructure and property plays. Utilities remain a focus with the upcoming renewable shift alongside data center demand. Meanwhile, Malaysia’s water sector will see reforms in terms of water tariff revisions, with Penang already announcing adjustments, coupled with the governments focus on fixing non-revenue water leakages.</p> <p>In Q2024, Malaysia saw the continued exuberance in pre-existing tactics, though there seemed to be increasing favour in the data center space, following increasing data center construction awards in Malaysia. The Ringgit also took center stage in 1Q2024, hitting 26-year lows. The emphasis on the Malaysian Ringgit (MYR) was evident in Bank Negara’s (BNM) Annual message, which focused more on the currency than on the economy. BNM highlighted that the tech upcycle and tourism recovery will be key drivers of economic growth in 2024 with quicker implementation of new and existing investments. External factors such as trade, geopolitical issues and commodities pose downside risks.</p>			

	<p>In April 2024, Energy Exchange (ENEGEM) has finally been introduced, along with guidelines on cross-border electricity sales announced by the Ministry of Energy Transition and Water Transformation (PETRA) for exports of green electricity from Malaysia to Singapore and Thailand.</p> <p>In May 2024, Prime Minister (PM) Anwar announces over 13% salary hike for civil servants, among the highest increase in the nation's history and will involve an allocation of over RM10b or ~0.5% Gross Domestic Product (GDP). Suggests subsidy rationalization into 2025, but ensuring lower income is well mitigated for. Following that, PM Anwar announced blanket fuel subsidies will be withdrawn beginning with diesel in Peninsula Malaysia. RON95 to follow later. The move should generate RM4b in savings compared with ~RM81b in fuel subsidies spent in 2023. Diesel is currently being sold at RM2.15/litre and the government estimates that it should be selling closer to RM3.50/litre. In addition, the government will deploy an additional RM2b in cash transfers, a +25% hike from the budgeted RM8b. The government indicated that diesel volumes are ~70% above pre-COVID levels and blames the surge on leakages like smuggling.</p>
Market Outlook	<p>Foreign investors reversed from a sizeable net buy in May (RM1.49b) to a marginal net sell of RM61m in Malaysian equities in June 2024. As a result, this brought 2024 Year To Date (YTD) (January-June) foreign net sell to RM0.82b. The FBMKLCI is one of the best index performers in Asean YTD with the least net foreign outflow.</p> <p>Bursa Malaysia's average daily trading values surpassed RM4b in June, its highest since March 2021. There was sequential news flow on data centers, which benefited both property landowners and construction sector players. Our positive bias on the market remains unchanged as the initiatives undertaken by the Government starts to bear fruit, translating to positive momentum for the local market. The portfolio continues to hold on to the beneficiaries of the government initiatives.</p>
Additional Information	<p>The following information was updated:</p> <p>The Eleventh Supplementary Master Prospectus dated 1 March 2024 has been registered with the Securities Commission Malaysia. The issuance of the Eleventh Supplementary Master Prospectus is to update the distribution policy of the Fund. Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 was published on our website at www.aminvest.com and sent to the unit holders on 13 March 2024.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 July 2024

AmDividend Income**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2024**

	Note	31.05.2024 (unaudited) RM	30.11.2023 (audited) RM
ASSETS			
Investments	4	17,534,431	17,110,124
Dividend/Distribution receivables		2,274	3,526
Amount due from brokers	5	15,726	149,659
Amount due from Manager	6(a)	274,460	78,431
Deposits with licensed financial institutions	7	1,487,122	1,615,133
Cash at banks		131,460	11,316
TOTAL ASSETS		19,445,473	18,968,189
LIABILITIES			
Amount due to brokers	5	646,926	-
Amount due to Manager	6(b)	52,920	41,200
Amount due to Trustee	8	791	772
Distribution payable		-	349
Sundry payables and accruals		14,657	14,266
TOTAL LIABILITIES		715,294	56,587
NET ASSET VALUE ("NAV") OF THE FUND		18,730,179	18,911,602
EQUITY			
Unit holders' capital	10(a)	8,843,862	11,106,876
Retained earnings	10(b)(c)	9,886,317	7,804,726
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	18,730,179	18,911,602
UNITS IN CIRCULATION	10(a)	56,876,156	64,317,932
NAV PER UNIT (RM)		0.3293	0.2940

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

AmDividend Income

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

		01.12.2023 to 31.05.2024	01.12.2022 to 31.05.2023
	Note	RM	RM
INVESTMENT INCOME/(LOSS)			
Dividend/Distribution income		352,157	411,319
Interest income		24,612	33,772
Net gain/(loss) from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	<u>1,936,117</u>	<u>(731,007)</u>
		<u>2,312,886</u>	<u>(285,916)</u>
EXPENDITURE			
Manager’s fee	6	(141,089)	(145,134)
Trustee’s fee	8	(4,703)	(4,838)
Audit fee		(3,500)	(3,487)
Tax agent’s fee		(2,600)	(2,593)
Brokerage and other transaction fees		(67,337)	(40,045)
Other expenses		<u>(10,595)</u>	<u>(4,362)</u>
		<u>(229,824)</u>	<u>(200,459)</u>
Net income/(loss) before taxation		2,083,062	(486,375)
Taxation	12	<u>(1,471)</u>	<u>(301)</u>
Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial period		<u>2,081,591</u>	<u>(486,676)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income		589,965	216,936
Unrealised gain/(loss)		<u>1,491,626</u>	<u>(703,612)</u>
		<u>2,081,591</u>	<u>(486,676)</u>
Distribution for the financial period			
Net distribution	13	<u>-</u>	<u>25,942</u>
Gross distribution per unit (sen)	13	<u>-</u>	<u>0.04</u>
Net distribution per unit (sen)	13	<u>-</u>	<u>0.04</u>

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

AmDividend Income

STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 December 2023		11,106,876	7,804,726	18,911,602
Total comprehensive income for the financial period		-	2,081,591	2,081,591
Creation of units	10(a)	3,856,092	-	3,856,092
Cancellation of units	10(a)	(6,119,106)	-	(6,119,106)
Balance at 31 May 2024		<u>8,843,862</u>	<u>9,886,317</u>	<u>18,730,179</u>
At 1 December 2022		12,283,207	7,552,882	19,836,089
Total comprehensive loss for the financial period		-	(486,676)	(486,676)
Creation of units		3,453,174	-	3,453,174
Reinvestment of distribution		25,942	-	25,942
Cancellation of units		(4,275,660)	-	(4,275,660)
Distribution		-	(25,942)	(25,942)
Balance at 31 May 2023		<u>11,486,663</u>	<u>7,040,264</u>	<u>18,526,927</u>

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

AmDividend Income

STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	11,819,610	5,973,561
Purchases of investments	(9,526,941)	(5,320,799)
Dividend/Distribution received	351,938	413,074
Interest received	24,612	33,772
Manager's fee paid	(140,547)	(145,271)
Trustee's fee paid	(4,684)	(4,841)
Payments for other expenses	(83,641)	(50,131)
Net cash generated from operating and investing activities	<u>2,440,347</u>	<u>899,365</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	3,660,063	3,279,623
Payments for cancellation of units	(6,107,928)	(4,275,660)
Distribution paid	(349)	-
Net cash used in financing activities	<u>(2,448,214)</u>	<u>(996,037)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,867)	(96,672)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,626,449</u>	<u>2,304,546</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>1,618,582</u></u>	<u><u>2,207,874</u></u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	1,487,122	2,196,180
Cash at banks	131,460	11,694
	<u><u>1,618,582</u></u>	<u><u>2,207,874</u></u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

1. GENERAL INFORMATION

AmDividend Income (the “Fund”) was established pursuant to a Deed dated 18 March 2005 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 to provide income by investing in potentially high dividend yielding equities and steady capital growth. As provided in the Deeds, 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 19 July 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.

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

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 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.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 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
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
MFRS 18 <i>Presentation and Disclosure in Financial Statements</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) Dividend/Distribution income

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

(ii) Interest income

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

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

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

3.1 Income recognition (cont'd.)

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

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

3.6 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 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 assets. 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 DECEMBER 2023 TO 31 MAY 2024**

3. SUMMARY OF 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 date 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 Target Fund 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 date 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 income 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.

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

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

3.9 Financial assets under MFRS 9 (cont'd.)

Classification and measurement (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

Financial assets at FVTPL (cont'd.)

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
 - 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

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

3.11 Derecognition of financial instruments (cont'd.)

(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.

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 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.

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

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

3.15 Significant accounting estimates and judgments (cont'd.)

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

	31.05.2024 RM	30.11.2023 RM
Financial assets at FVTPL		
Quoted equity securities	17,183,985	16,729,165
Quoted CIS	350,446	380,959
	<u>17,534,431</u>	<u>17,110,124</u>

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

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities				
Consumer discretionary				
Feytech Holdings Berhad	98,700	111,531	100,300	0.59
Genting Berhad	94,000	447,440	431,202	2.39
Genting Malaysia Berhad	72,000	190,800	188,503	1.02
Mr D.I.Y. Group (M) Berhad	150,000	271,500	349,477	1.45
Pecca Group Berhad	139,000	205,720	184,870	1.10
	<u>553,700</u>	<u>1,226,991</u>	<u>1,254,352</u>	<u>6.55</u>
Consumer staples				
Kuala Lumpur Kepong Berhad	11,000	229,460	247,536	1.22
Sime Darby Plantation Berhad	70,000	297,500	298,940	1.59
	<u>81,000</u>	<u>526,960</u>	<u>546,476</u>	<u>2.81</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

4. INVESTMENTS (CONT'D.)

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

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Energy				
Dialog Group Berhad	99,000	236,610	277,563	1.26
Yinson Holdings Berhad	140,000	324,800	330,831	1.74
	<u>239,000</u>	<u>561,410</u>	<u>608,394</u>	<u>3.00</u>
Financials				
CIMB Group Holdings Berhad	176,000	1,203,840	830,861	6.43
Hong Leong Bank Berhad	4,000	77,040	77,092	0.41
Malayan Banking Berhad	170,000	1,688,100	1,442,307	9.01
Public Bank Berhad	389,000	1,594,900	1,451,130	8.52
RHB Bank Berhad	72,000	395,280	396,011	2.11
	<u>811,000</u>	<u>4,959,160</u>	<u>4,197,401</u>	<u>26.48</u>
Health care				
Alpha IVF Group Berhad	1,800,000	567,000	603,000	3.03
Duopharma Biotech Berhad	44,000	52,800	55,880	0.28
Hartalega Holdings Berhad	68,000	213,520	195,238	1.14
IHH Healthcare Berhad	52,000	321,880	322,622	1.72
Kossan Rubber Industries Berhad	28,000	62,160	54,267	0.33
Top Glove Corporation Bhd.	160,000	168,000	188,374	0.90
	<u>2,152,000</u>	<u>1,385,360</u>	<u>1,419,381</u>	<u>7.40</u>
Industrials				
CTOS Digital Berhad	121,000	169,400	183,900	0.91
Ekovest Berhad	557,600	250,920	263,035	1.34
Frontken Corporation Berhad	25,000	106,250	72,705	0.57
Gamuda Berhad	30,000	182,100	144,234	0.97
HSS Engineers Berhad	155,000	149,575	163,600	0.80
Malaysia Airports Holdings Berhad	24,000	238,560	243,488	1.27
Malaysian Resources Corporation Berhad	220,000	144,100	144,700	0.77
MISC Berhad	25,000	208,500	196,025	1.11

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

4. INVESTMENTS (CONT'D.)

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

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Industrials (cont'd.)				
Pentamaster Corporation Berhad	73,000	354,050	352,919	1.89
Prolintas Infra Business Trust	209,000	200,640	198,550	1.07
Samaiden Group Berhad	14,000	18,480	19,180	0.10
Sunway Berhad	49,000	171,500	170,002	0.92
Sunway Construction Group Berhad	15,000	47,250	41,385	0.25
Volcano Berhad	100,000	65,500	84,810	0.35
	<u>1,617,600</u>	<u>2,306,825</u>	<u>2,278,533</u>	<u>12.32</u>
Information technology				
Cape EMS Berhad	300,500	291,485	299,296	1.56
Comintel Corporation Bhd.	181,000	380,100	275,120	2.03
D & O Green Technologies Berhad	25,800	94,944	93,403	0.51
Dagang Nexchange Berhad	389,000	175,050	256,398	0.93
Genetec Technology Berhad	121,000	263,780	293,831	1.41
Greatech Technology Berhad	52,000	263,120	268,818	1.41
Inari Amertron Berhad	54,400	176,800	160,726	0.94
JHM Consolidation Berhad	100,000	62,000	73,850	0.33
	<u>1,223,700</u>	<u>1,707,279</u>	<u>1,721,442</u>	<u>9.12</u>
Materials				
PETRONAS Chemicals Group Berhad	72,000	483,120	608,755	2.58
Press Metal Aluminium Holdings Berhad	106,800	598,080	595,489	3.19
	<u>178,800</u>	<u>1,081,200</u>	<u>1,204,244</u>	<u>5.77</u>
Real estate				
Iskandar Waterfront City Berhad	50,400	37,800	39,326	0.20
Mah Sing Group Berhad	212,000	318,000	256,091	1.70
S P Setia Berhad	40,000	58,000	57,372	0.31
UEM Sunrise Berhad	202,000	234,320	220,501	1.25
	<u>504,400</u>	<u>648,120</u>	<u>573,290</u>	<u>3.46</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

4. INVESTMENTS (CONT'D.)

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

Name of company/trust	Number of shares/units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Telecommunication services				
Axiata Group Berhad	130,000	364,000	462,621	1.94
CelcomDigi Berhad	46,000	175,260	191,438	0.94
Telekom Malaysia Berhad	41,000	254,610	192,703	1.36
TIME dotCom Berhad	28,000	147,840	92,321	0.79
	<u>245,000</u>	<u>941,710</u>	<u>939,083</u>	<u>5.03</u>
Utilities				
Tenaga Nasional Berhad	100,000	1,304,000	1,136,871	6.96
YTL Corporation Berhad	82,000	294,380	309,710	1.57
YTL Power International Berhad	49,000	240,590	256,612	1.29
	<u>231,000</u>	<u>1,838,970</u>	<u>1,703,193</u>	<u>9.82</u>
Total quoted equity securities	<u>7,837,200</u>	<u>17,183,985</u>	<u>16,445,789</u>	<u>91.76</u>
Quoted CIS				
REITs				
Pavilion Real Estate Investment Trust	74,000	107,300	90,280	0.57
YTL Hospitality REIT	199,300	243,146	195,284	1.30
	<u>273,300</u>	<u>350,446</u>	<u>285,564</u>	<u>1.87</u>
Total quoted CIS	<u>273,300</u>	<u>350,446</u>	<u>285,564</u>	<u>1.87</u>
Total financial assets at FVTPL	<u>8,110,500</u>	<u>17,534,431</u>	<u>16,731,353</u>	<u>93.63</u>
Excess of fair value over purchased cost		<u>803,078</u>		

5. AMOUNT DUE FROM/TO BROKERS

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

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

6. AMOUNT DUE FROM/TO MANAGER

	Note	31.05.2024 RM	30.11.2023 RM
(a) Due from Manager			
Creation of units	(i)	<u>274,460</u>	<u>78,431</u>
(b) Due to Manager			
Cancellation of units	(ii)	26,188	15,010
Manager's fee payable	(iii)	<u>26,732</u>	<u>26,190</u>
		<u>52,920</u>	<u>41,200</u>

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

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

The normal credit period in the previous 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% (30.11.2023:1.50%) per annum on the NAV of the Fund, calculated on a daily basis. As the Fund invested in CIS, the Manager's fee related to CIS has been charged by the Manager of the CIS.

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

7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	31.05.2024 RM	30.11.2023 RM
At nominal value:		
Short-term deposits	<u>1,487,000</u>	<u>1,615,000</u>
At carrying value:		
Short-term deposits	<u>1,487,122</u>	<u>1,615,133</u>

Details of deposit with licensed financial institution are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
31.05.2024				
Short-term deposit				
04.06.2024	Public Bank Berhad	<u>1,487,000</u>	<u>1,487,122</u>	<u>7.94</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.05% (30.11.2023: 0.05%) 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.

9. NET GAIN/(LOSS) FROM INVESTMENTS

	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	444,491	(27,395)
– Net unrealised gain/(loss) on changes in fair value of investments	1,491,626	(703,612)
	<u>1,936,117</u>	<u>(731,007)</u>

10. TOTAL EQUITY

Total equity is represented by:

	Note	31.05.2024 RM	30.11.2023 RM
Unit holders' capital	(a)	8,843,862	11,106,876
Retained earnings			
– Realised income	(b)	9,083,239	8,493,274
– Unrealised gain/(loss)	(c)	803,078	(688,548)
		<u>18,730,179</u>	<u>18,911,602</u>

(a) Unit holders' capital/units in circulation

	31.05.2024		30.11.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	64,317,932	11,106,876	68,255,717	12,283,207
Creation during the financial period/year	12,506,684	3,856,092	15,820,456	4,588,371
Reinvestment of distribution	-	-	1,268,460	372,221
Cancellation during the financial period/year	(19,948,460)	(6,119,106)	(21,026,701)	(6,136,923)
At end of the financial period/year	<u>56,876,156</u>	<u>8,843,862</u>	<u>64,317,932</u>	<u>11,106,876</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

10. TOTAL EQUITY (CONT'D.)

(b) Realised – distributable

	31.05.2024	30.11.2023
	RM	RM
At beginning of the financial period/year	8,493,274	8,315,074
Net realised income for the financial period/year	589,965	550,770
Distribution out of realised income	-	(372,570)
At end of the financial period/year	<u>9,083,239</u>	<u>8,493,274</u>

(c) Unrealised – non-distributable

	31.05.2024	30.11.2023
	RM	RM
At beginning of the financial period/year	(688,548)	(762,192)
Net unrealised gains for the financial period/year	1,491,626	73,644
At end of the financial period/year	<u>803,078</u>	<u>(688,548)</u>

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	Holdings 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 May 2024 and 30 November 2023.

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

	31.05.2024	30.11.2023
	RM	RM
Significant related party balance		
<u>AmBank (M) Berhad</u>		
Cash at bank	<u>975</u>	<u>991</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

12. TAXATION

	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
Local tax	<u>1,471</u>	<u>301</u>

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

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

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:

	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
Net income/(loss) before taxation	<u>2,083,062</u>	<u>(486,375)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	499,935	(116,730)
Tax effects of:		
Income not subject to tax	(553,622)	(106,521)
Losses not allowed for tax deduction	-	175,442
Restriction on tax deductible expenses for unit trust fund	31,231	32,102
Non-permitted expenses for tax purposes	20,456	12,441
Permitted expenses not used and not available for future financial periods	<u>3,471</u>	<u>3,567</u>
Tax expense for the financial period	<u>1,471</u>	<u>301</u>

13. DISTRIBUTION

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

Details of distribution to unit holders for the previous financial period is as follows:

	01.12.2022 to 31.05.2023 RM
Gross distribution per unit (sen)	<u>0.04</u>
Net distribution per unit (sen)	<u>0.04</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

13. DISTRIBUTION (CONT'D.)

Details of distribution to unit holders for the previous financial period is as follows: (cont'd.)

Financial period ended 31 May 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
25 May 2023	0.04	0.04	25,942
		01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
Total amount available for distribution		<u>9,083,239</u>	<u>8,506,068</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.

The distribution declared for the financial period ended 31 May 2023 was proposed before taking into account the net unrealised loss of RM703,612 arising during the financial year which was carried forward to the current financial period.

14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	01.12.2023 to 31.05.2024 % p.a.	01.12.2022 to 31.05.2023 % p.a.
Manager's fee	0.74	0.76
Trustee's fee	0.03	0.02
Fund's other expenses	0.09	0.05
Total TER	<u>0.86</u>	<u>0.83</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.

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

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 0.58 times (01.12.2022 to 31.05.2023: 0.29 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 period.

	01.12.2023 to 31.05.2024			01.12.2022 to 31.05.2023		
	Equity portfolio RM	Fixed income portfolio RM	Total RM	Equity portfolio RM	Fixed income portfolio RM	Total RM
Dividend/ Distribution income	352,157	-	352,157	411,319	-	411,319
Interest Income	-	24,612	24,612	-	33,772	33,772
Net gain/(loss) from investments: - Financial assets at FVTPL	1,936,117	-	1,936,117	(731,007)	-	(731,007)
Total segment investment income/(loss) for the financial period	<u>2,288,274</u>	<u>24,612</u>	<u>2,312,886</u>	<u>(319,688)</u>	<u>33,772</u>	<u>(285,916)</u>

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

16. SEGMENTAL REPORTING (CONT'D.)

	31.05.2024			30.11.2023		
	Equity portfolio RM	Fixed income portfolio RM	Total RM	Equity portfolio RM	Fixed income portfolio RM	Total RM
Financial assets at FVTPL	17,534,431	-	17,534,431	17,110,124	-	17,110,124
Dividend/ Distribution receivables	2,274	-	2,274	3,526	-	3,526
Amount due from brokers	15,726	-	15,726	149,659	-	149,659
Deposits with licensed financial institutions	-	1,487,122	1,487,122	-	1,615,133	1,615,133
Total segment assets	17,552,431	1,487,122	19,039,553	17,263,309	1,615,133	18,878,442
Amount due to brokers	646,926	-	646,926	-	-	-
Total segment liability	646,926	-	646,926	-	-	-

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:

	01.12.2023 to 31.05.2024 RM	01.12.2022 31.05.2023 RM
Net reportable segment investment income/(loss)	2,312,886	(285,916)
Less: Expenses	(229,824)	(200,459)
Net income/(loss) before taxation	2,083,062	(486,375)
Taxation	(1,471)	(301)
Net income/(loss) after taxation	2,081,591	(486,676)

AmDividend Income

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

16. SEGMENTAL REPORTING (CONT'D.)

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

	31.05.2024	30.11.2023
	RM	RM
Total segment assets	19,039,553	18,878,442
Amount due from Manager	274,460	78,431
Cash at banks	131,460	11,316
Total assets of the Fund	<u>19,445,473</u>	<u>18,968,189</u>
Total segment liability	646,926	-
Amount due to Manager	52,920	41,200
Amount due to Trustee	791	772
Distribution payable	-	349
Sundry payables and accruals	14,657	14,266
Total liabilities of the Fund	<u>715,294</u>	<u>56,587</u>

17. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 31 May 2024 are as follows:

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Public Investment Bank Berhad	9,954,248	45.54	28,119	41.68
RHB Investment Bank Berhad	3,450,231	15.78	9,897	14.67
AmInvestment Bank Berhad*	3,091,359	14.14	13,498	20.01
Maybank Investment Bank Berhad	2,919,190	13.35	8,324	12.34
Hong Leong Investment Bank Berhad	1,425,161	6.52	4,067	6.03
Kenanga DMG Futures Sdn. Bhd.	650,413	2.98	1,824	2.70
UOB Kay Hian Securities (M) Sdn. Bhd.	184,870	0.85	1,165	1.73
Affin Investment Berhad	131,272	0.60	368	0.54
CIMB Group Holdings Berhad	52,800	0.24	201	0.30
Total	<u>21,859,544</u>	<u>100.00</u>	<u>67,463</u>	<u>100.00</u>

* A financial institution related to the Manager.

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

The above transactions are in respect of listed equity securities and CIS.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, 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 investments 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.

(iii) Currency risk

Currency risk is associated with the Fund's assets and liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

(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 dividends receivable. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

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

(b) Credit risk (cont'd.)

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. 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.

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

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 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmDividend Income (the “Fund”) as at 31 May 2024 and of the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

19 July 2024

TRUSTEE'S REPORT

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

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
Date: 19 July 2024

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

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

