

Annual Report for

AmDynamic Allocator

31 August 2023



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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

Board of Directors

Jeyaratnam A/L Tamotharam Pillai
Tai Terk Lin
Ng Chih Kaye
Jas Bir Kaur A/P Lol Singh
Goh Wee Peng

Investment Committee

Jas Bir Kaur A/P Lol Singh
Tracy Chen Wee Keng
Goh Wee Peng

Trustee

Deutsche Trustees Malaysia 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 AmDynamic Allocator ("Fund") for the financial year ended 31 August 2023.

Salient Information of the Fund

Name	AmDynamic Allocator ("Fund")
Category/ Type	Fund-of-Funds (Mixed assets) / Growth and Income
Objective	<p>The Fund aims to achieve capital growth over the medium to long-term and at the same time provide income* by investing primarily in CIS.</p> <p><i>Note:</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 23 April 2012 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
Performance Benchmark	<p>AmBank (M) Berhad 12-months fixed deposit rate + 3.00% per annum ("AMBB") (Available at www.aminvest.com)</p> <p>The performance benchmark is decided based on our back-testing, which calculates how the investment strategies of the Fund would have performed (as if it had actually been applied in the past) by applying the historical performance of the CIS.*</p> <p>The risk profile of the Fund is higher than the risk profile of the performance benchmark.</p> <p>The performance benchmark is only a measurement of the Fund's performance and there is no guarantee it will be achieved. The Fund may not achieve the benchmark in any particular year but it is expected to outperform the performance benchmark over the medium to long-term.</p> <p><i>Note: *Past performance is no indication of future performance of the Fund.</i></p>
Income Distribution Policy	Subject to availability of income, distribution is paid once a year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 August are as follows:			
		As at 31 August		
		2023	2022	2021
		%	%	%
	Foreign exchange traded funds	73.35	74.75	74.51
	Local collective investment schemes	22.80	24.11	21.95
	Money market deposits and cash equivalents	3.85	1.14	3.54
	Total	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 August are as follows:			
		FYE	FYE	FYE
		2023	2022	2021
	Net asset value (RM)*	10,694,086	10,920,505	13,720,531
	Units in circulation*	49,472,862	53,497,438	51,886,613
	Net asset value per unit (RM)*	0.2162	0.2041	0.2644
	Highest net asset value per unit (RM)*	0.2236	0.2668	0.2755
	Lowest net asset value per unit (RM)*	0.1914	0.2041	0.2205
	Benchmark performance (%)	5.45	4.66	4.55
	Total return (%) ⁽¹⁾	7.23	-15.02	18.34
	- Capital growth (%)	5.52	-22.58	14.44
	- Income distribution (%)	1.71	7.56	3.90
	Gross distribution (sen per unit)	0.42	2.00	0.90
	Net distribution (sen per unit)	0.35	2.00	0.90
	Total expense ratio (%) ⁽²⁾	1.62	2.10	1.44
	Portfolio turnover ratio (times) ⁽³⁾	0.25	0.18	0.28
	<i>* Above prices and net asset value per unit are shown as ex-distribution.</i>			
	<i>Note:</i>			
	<i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.</i>			
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER decreased by 0.48% as compared to 2.10% per annum for the financial year ended 31 August 2022 mainly due to decrease in expenses.</i>			
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2023 and decrease in 2022 were due mainly to investing activities.</i>			

Average Total Return (as at 31 August 2023)

	AmDynamic Allocator ^(a) %	AMBB ^(b) %
One year	7.23	5.45
Three years	2.55	4.89
Five years	3.93	5.28
Ten years	4.66	5.76

Annual Total Return

Financial Years Ended (31 August)	AmDynamic Allocator ^(a) %	AMBB ^(b) %
2023	7.23	5.45
2022	-15.02	4.66
2021	18.34	4.55
2020	14.72	5.50
2019	-1.98	6.25

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

(b) AmBank (M) Berhad 12-months fixed deposit rate + 3.00% per annum ("AMBB") (Available at www.aminvest.com)

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

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

Fund Performance

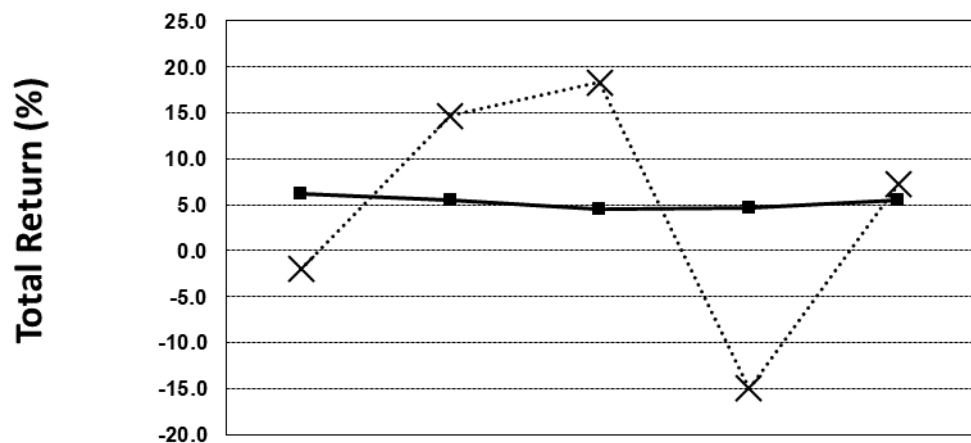
For the financial year under review, the Fund registered a return of 7.23%^(a) comprising of 5.52% capital growth and 1.71% income distribution.

Thus, the Fund's return of 7.23% has outperformed the benchmark's return of 5.45% by 1.78%.

As compared with the financial year ended 31 August 2022, the net asset value ("NAV") per unit of the Fund increased by 5.93% from RM0.2041 to RM0.2162, while units in circulation decreased by 7.52% from 53,497,438 units to 49,472,862 units.

(a) Price based on published price (last business day).

The following line chart shows comparison between the annual performances of AmDynamic Allocator and its benchmark, AMBB, for the financial years ended 31 August.



	2019	2020	2021	2022	2023
...X... Fund	-1.98	14.72	18.34	-15.02	7.23
—■— Benchmark	6.25	5.50	4.55	4.66	5.45

Financial Years Ended (31 August)

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 was managed with the aim of achieving positive investment returns over the medium to long-term regardless of market conditions. To achieve the investment objective, the Manager applies a strategy that seeks to generate returns through investments in collective investment schemes (CIS), which has exposure to various asset classes including but not limited to equity, fixed income securities and money market instruments.

There will be no crossholding between the Fund and collective investment schemes.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 August 2023 and 31 August 2022.

	As at 31.08.2023 %	As at 31.08.2022 %	Changes %
Foreign exchange traded funds	73.35	74.75	-1.40
Local collective investment schemes	22.80	24.11	-1.31
Money market deposits and cash equivalents	3.85	1.14	2.71
Total	100.00	100.00	

For the financial year under review, the Fund remains heavily invested in foreign and local collective investment scheme with exposure of 73.35% and 22.80% of its NAV respectively. However, compared to the last financial year, cash balance increased by 2.71%.

Securities Lending / Repurchase Transactions

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

Cross Trade	There were no cross trades undertaken during the financial year under review.								
Distribution/ unit splits	<p>During the financial year under review, the Fund declared income distribution, detailed as follows:</p> <table border="1" data-bbox="379 320 1436 465"> <thead> <tr> <th data-bbox="379 320 576 427">Date of distribution</th> <th data-bbox="584 320 895 427">Distribution per unit RM (sen)</th> <th data-bbox="903 320 1177 427">NAV per unit Cum-Distribution (RM)</th> <th data-bbox="1185 320 1436 427">NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="379 432 576 465">23-Aug-23</td> <td data-bbox="584 432 895 465">0.35</td> <td data-bbox="903 432 1177 465">0.2177</td> <td data-bbox="1185 432 1436 465">0.2142</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	23-Aug-23	0.35	0.2177	0.2142
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
23-Aug-23	0.35	0.2177	0.2142						
State of Affairs	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.								
Rebates and Soft Commission	<p>During the year, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.</p> <p>The company has soft commission arrangement with a total of 12 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>								
Market Review	<p>Investors turned cautious in September 2022, as the Federal Reserve moved to an aggressively hawkish policy stance with a 75 basis points (bps) rate hike to 3.25% (upper bound) to the federal reserve funds target rate. As the result, the S&P 500 Index slumped 9.34% to post a three-week losing streak to end September deep in bear market territory after having lost 25.25% from its record closing high in early January.</p> <p>Despite expectations of the Federal Reserve hiking interest rate by another 75bps in November, the S&P 500 Index rose 7.99% in October, followed by another +5.38% in November, supported by strong corporate earnings, better than expected United States (US) economic growth and slowing inflation data. After the strong rebound, the S&P 500 Index fell 5.90% in December, as investors fretted over the strength of corporate profits, potential recession and US private consumption with fourth-quarter earnings season looming in early January.</p> <p>The global equity market started positively in 2023, with the S&P 500 Index soaring 6.18% in January 2023 on expectations that the Federal Reserve may slow its pace of rates hike due to encouraging inflation data. However, the positive sentiment was short-lived, as data in the form of a good labor market and higher than expected Consumer Price Index (CPI) and Producer Price Index (PPI) reports exacerbated fears that the Federal Reserve would need to raise interest rates for a longer period which could depress companies' earnings. As a result,</p>								

	<p>the S&P 500 Index fell 2.6% in February to 3,970.15 points.</p> <p>In March, the S&P 500 Index rose 3.51% despite a sharp sell-off in bank stocks following the collapse of regional banks in the US. The recovery was helped by receding fears over a financial contagion after no more negative news post the financial regulators swift actions to contain any fallout and avoid any contagion to the sector. The positive momentum continued in April with the S&P 500 Index gaining another 1.46% for the month, thanks in part to optimism that inflation is cooling off, fueling hopes that the Federal Reserve may pause interest rate hike in the coming months.</p> <p>The S&P 500 index rose 0.25% in May as investors digested the Federal Reserve rate hike, the first quarter earnings season, a regional banking crisis, a host of economic data and the U.S. debt ceiling saga. It was despite slower than expected recovery in China which resulted both the Hong Kong Hang Seng index and China's Shanghai Composite Index falling 8.35% and 3.57% MoM respectively.</p> <p>In June and July, the S&P 500 Index rose another 6.47% and 3.11%, respectively, as the rally in technology mega-cap stocks gained further traction, with investors increasingly more hopeful about a soft-landing scenario as economic data shows ongoing strength in the labor market and cooling inflation. As a result, the S&P 500 Index fell 2.6% in February to 3,970.15 points to register a gain of +13.97% (+18.17% in Ringgit terms) for the financial year under review.</p>
Market Outlook	<p>Market is expected to remain volatile, due to lingering concern on looming recession amid the Federal Reserve keeping interest rate higher- for- longer. Meanwhile, rising geopolitical tensions between the United States and China and Russia-Ukraine conflict may potentially increase the volatility in the global financial market further. To ride through the macro headwinds, the fund will adopt barbell strategy to balance value/growth vs. defensiveness, as well as focus on geographies and sectors which are expected to experience growth/resilience.</p>
Additional Information	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) En Izad Shahadi Bin Mohd Sallehuddin, an Independent Non-Executive Director of Amlslamic Funds Management Sdn Bhd ('AIFM'), has resigned from the Investment Committee with effect from 30 June 2023. 2) Ms Tracy Chen Wee Keng, the Chief Executive Officer of AmInvestment Bank Berhad has been appointed as Member of the Investment Committee with effect from 30 June 2023. 3) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AIFM and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023.

- | | |
|--|---|
| | 4) 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. Notice of the changes for the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at www.aminvest.com and sent to the Unit Holders on 16 August 2023. |
|--|---|

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 October 2023

Independent auditors' report to the unit holders of AmDynamic Allocator

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmDynamic Allocator (“the Fund”), which comprise the statement of financial position as at 31 August 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 31 August 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
AmDynamic Allocator (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 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
AmDynamic Allocator (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
AmDynamic Allocator (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
19 October 2023

AmDynamic Allocator

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	Note	2023 RM	2022 RM
ASSETS			
Investments	4	10,282,661	10,796,513
Amount due from brokers	5	50,145	-
Amount due from Manager	6(a)	28,119	-
Deposit with a licensed financial institution	7	140,023	-
Cash at banks		262,645	183,892
TOTAL ASSETS		10,763,593	10,980,405
LIABILITIES			
Amount due to Manager	6(b)	47,302	38,746
Amount due to Trustee	8	849	904
Tax payable		8,049	4,012
Sundry payables and accruals		13,307	16,238
TOTAL LIABILITIES		69,507	59,900
NET ASSETS VALUE (“NAV”) OF THE FUND		10,694,086	10,920,505
EQUITY			
Unit holders’ capital	10(a)	7,404,100	8,226,959
Retained earnings	10(b)(c)	3,289,986	2,693,546
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	10,694,086	10,920,505
UNITS IN CIRCULATION	10(a)	49,472,862	53,497,438
NAV PER UNIT (RM) – EX-DISTRIBUTION		0.2162	0.2041

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

AmDynamic Allocator

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
INVESTMENT INCOME/(LOSS)			
Distribution income		176,205	214,478
Interest income		3,560	3,216
Net gain/(loss) from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	894,507	(1,936,684)
Other net realised losses on foreign currency exchange		(72,866)	(72,394)
		<u>1,001,406</u>	<u>(1,791,384)</u>
EXPENDITURE			
Manager’s fee	6	(119,192)	(152,172)
Trustee’s fee	8	(10,000)	(10,000)
Audit fee		(7,000)	(7,000)
Tax agent’s fee		(18,010)	(80,132)
Brokerage and other transaction fees		(3,986)	(6,411)
Custodian’s fee		(8,067)	(8,220)
Other expenses		(6,883)	(4,205)
		<u>(173,138)</u>	<u>(268,140)</u>
Net income/(loss) before taxation		828,268	(2,059,524)
Taxation	12	<u>(61,117)</u>	<u>(34,986)</u>
Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year		<u>767,151</u>	<u>(2,094,510)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income		172,065	464,723
Unrealised gain/(loss)		<u>595,086</u>	<u>(2,559,233)</u>
		<u>767,151</u>	<u>(2,094,510)</u>
Distribution for the financial year			
Net distribution	13	<u>170,711</u>	<u>979,530</u>
Gross distribution per unit (sen)	13	<u>0.42</u>	<u>2.00</u>
Net distribution per unit (sen)	13	<u>0.35</u>	<u>2.00</u>

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

AmDynamic Allocator

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 September 2022		8,226,959	2,693,546	10,920,505
Total comprehensive income for the financial year		-	767,151	767,151
Creation of units	10(a)	655,303	-	655,303
Reinvestment of distribution	10(a),13	170,711	-	170,711
Cancellation of units	10(a)	(1,648,873)	-	(1,648,873)
Distribution	13	-	(170,711)	(170,711)
Balance at 31 August 2023		<u>7,404,100</u>	<u>3,289,986</u>	<u>10,694,086</u>
At 1 September 2021		7,952,945	5,767,586	13,720,531
Total comprehensive loss for the financial year		-	(2,094,510)	(2,094,510)
Creation of units	10(a)	945,575	-	945,575
Reinvestment of distribution	10(a),13	979,530	-	979,530
Cancellation of units	10(a)	(1,651,091)	-	(1,651,091)
Distribution	13	-	(979,530)	(979,530)
Balance at 31 August 2022		<u>8,226,959</u>	<u>2,693,546</u>	<u>10,920,505</u>

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

AmDynamic Allocator

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		3,154,525	2,448,305
Purchase of investments		(1,869,177)	(2,018,683)
Distributions received		147,514	186,184
Interest received		3,560	3,216
Manager's fee paid		(119,655)	(156,876)
Trustee's fee paid		(10,055)	(9,972)
Tax agent's fee paid		(18,010)	(80,132)
Custodian's fee paid		(8,067)	(8,220)
Tax paid		(28,389)	(2,678)
Payments for other expenses		(20,800)	(16,289)
Net cash generated from operating and investing activities		<u>1,231,446</u>	<u>344,855</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		627,184	945,575
Payments for cancellation of units		<u>(1,639,854)</u>	<u>(1,632,175)</u>
Net cash used in financing activities		<u>(1,012,670)</u>	<u>(686,600)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		218,776	(341,745)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		<u>183,892</u>	<u>525,637</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
		<u>402,668</u>	<u>183,892</u>
Cash and cash equivalents comprise:			
Deposit with a licensed financial institution	7	140,023	-
Cash at banks		<u>262,645</u>	<u>183,892</u>
		<u>402,668</u>	<u>183,892</u>

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

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

1. GENERAL INFORMATION

AmDynamic Allocator (“the Fund”) was established pursuant to a Deed dated 8 September 2011 as amended by Deeds supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to achieve capital growth over the medium to long term and at the same time provide income by investing primarily in collective investment schemes (“CIS”). As provided in the Deed, the financial year shall end on 31 August and the units in the Fund were first offered for sale on 23 April 2012.

The financial statements were authorised for issue by the Manager on 19 October 2023.

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.

Description	Effective for financial periods beginning on or after
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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

2. BASIS OF PREPARATION OF 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 and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information (Amendments to MFRS 17 Insurance Contracts)*</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 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 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) Distribution income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

3.1 Income recognition (cont'd.)

(ii) Interest income

Interest income on short-term deposits are 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 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 income payment date. Reinvestment of units is based on the NAV per unit on the income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

3.9 Financial assets - classification and subsequent measurement

The Fund subsequently measures its investments in collective investment schemes ("CIS") at FVTPL. 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 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 interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

3.10 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

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Distribution income and interest earned elements of such instruments are recorded separately in "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.

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

3.11 Financial liabilities - classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

3.12 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 31 AUGUST 2023**

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

3.12 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.

3.13 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.

3.14 Determination of fair value

For investments in CIS, fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the quoted price that the Fund paid when buying its investments. 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.

3.15 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

3.15 Classification of realised and unrealised gains and losses (cont'd.)

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.

3.16 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

	Note	2023 RM	2022 RM
Financial assets at FVTPL			
Unquoted CIS - local	(a)	2,438,913	2,633,516
Exchange traded funds - foreign	(b)	7,843,748	8,162,997
		<u>10,282,661</u>	<u>10,796,513</u>

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows:

Name of trust/exchange traded funds	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
(a) Unquoted CIS - local				
AmBalanced*	312,712	412,655	398,900	3.86
AmCumulative Growth*	123,721	116,162	127,922	1.08
AmDynamic Bond*	937,834	657,515	615,136	6.15
AmIslamic Global SRI*	1,137,676	1,252,581	1,136,764	11.71
Total unquoted CIS - local	2,511,943	2,438,913	2,278,722	22.80
(b) Exchange traded funds - foreign				
Germany				
iShares Core EURO STOXX 50 UCITS ETF	493	108,533	76,730	1.01
Total in Germany	493	108,533	76,730	1.01
Hong Kong				
Global X China Clean Energy ETF	2,950	152,871	183,248	1.43
Global X China Electric Vehicle and Battery ETF	2,050	106,791	196,749	1.00
iShares Core MSCI Asia ex Japan ETF	3,416	102,142	97,953	0.95
Total in Hong Kong	8,416	361,804	477,950	3.38
Ireland				
iShares Edge MSCI World Momentum Factor UCITS ETF	856	228,099	151,549	2.13
iShares Edge MSCI World Quality Factor UCITS ETF	437	112,313	67,931	1.05

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Exchange traded funds	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
(b) Exchange traded funds - foreign (cont'd.)				
Ireland (cont'd.)				
iShares Edge MSCI World Value Factor UCITS ETF	327	58,074	42,352	0.55
iShares MSCI EMU Large Cap UCITS ETF	1,726	434,088	397,725	4.06
iShares MSCI EMU Mid Cap UCITS ETF	1,408	335,865	274,112	3.14
Total in Ireland	4,754	1,168,439	933,669	10.93
Japan				
Daiwa ETF-Nikkei 225 ETF	340	361,934	290,510	3.39
Total in Japan	340	361,934	290,510	3.39
Taiwan				
Fubon Taiwan Technology Tracker Fund	3,000	51,006	59,748	0.48
Yuanta/P-shares Taiwan Dividend Plus ETF	79,712	409,534	266,580	3.83
Yuanta/P-shares Taiwan Top 50 ETF	21,460	392,495	203,926	3.67
Total in Taiwan	104,172	853,035	530,254	7.98
United States				
Consumer Staples Select Sector SPDR	665	224,363	214,718	2.10
ETFMG Prime Cyber Security ETF	1,025	251,097	207,296	2.35
iShares 20 Year Treasury Bond ETF	600	268,872	284,512	2.51
iShares Barclays 7-10 Year Treasury Bond Fund	350	153,856	153,246	1.44

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Exchange traded funds	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
(b) Exchange traded funds - foreign (cont'd.)				
United States (cont'd.)				
iShares Global Comm Services ETF	563	184,258	149,409	1.72
iShares Global Consumer Discretionary ETF	368	263,880	207,705	2.47
iShares Global Materials ETF	287	108,794	88,575	1.02
iShares MSCI China ETF	1,520	316,536	326,804	2.96
iShares S&P Global Technology Sector Index Fund	715	205,227	83,625	1.92
iShares US Healthcare ETF	150	195,589	194,418	1.83
Roundhill Ball Metaverse ETF	2,893	134,148	200,427	1.25
Vanguard 500 Index Fund	50	95,946	87,389	0.90
Vanguard Consumer Staples Index Fund	258	230,249	216,740	2.15
Vanguard Long-Term Corporate Bond ETF	533	187,934	225,012	1.76
Vanguard Long-Term Treasury ETF	999	278,266	364,613	2.60
Vanguard S&P 500 Growth ETF	581	700,842	360,271	6.55
Vanguard S&P 500 Value ETF	160	116,148	79,033	1.09
Vanguard S&P Mid-Cap 400 ETF	560	232,251	159,798	2.17
Vanguard S&P Mid-Cap 400 Growth ETF	528	232,543	152,171	2.17
Vanguard S&P Mid-Cap 400 Value ETF	430	164,850	95,322	1.54
Vanguard S&P Small-Cap 600 Growth ETF	476	222,001	146,760	2.08
Vanguard S&P Small-Cap 600 ETF	516	222,353	146,830	2.08
Total in United States	14,227	4,990,003	4,144,674	46.66
Total exchange traded funds - foreign	132,402	7,843,748	6,453,787	73.35

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Total financial assets at FVTPL	<u>2,644,345</u>	<u>10,282,661</u>	<u>8,732,509</u>	<u>96.15</u>
Excess of fair value over purchased cost		<u>1,550,152</u>		

* These CIS are managed by the Manager.

5. AMOUNT DUE FROM BROKERS

Amount due from brokers arose from the sale of investments. The normal trade credit period is 2 business days.

6. AMOUNT DUE TO MANAGER

	Note	2023 RM	2022 RM
(a) Due from Manager			
Creation of units	(i)	<u>28,119</u>	<u>-</u>
(b) Due to Manager			
Redemption of units	(ii)	35,640	26,621
Manager's fee payable	(iii)	<u>11,662</u>	<u>12,125</u>
		<u>47,302</u>	<u>38,746</u>

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

(ii) The amount represents amount payable to the Manager for units redeemed.

The normal credit period in the previous and current financial years for creation and redemption 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 unquoted CIS, the Manager's fee related to unquoted CIS has been charged by the Manager, accordingly, and can only be charged once in accordance with the Securities Commission Malaysia's Guidelines on Unit Trust Funds. As at 31 August 2023 and 31 August 2022, there is no double charging of Manager's fee.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

7. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2023	2022
	RM	RM
At nominal value:		
Short-term deposit	140,000	-
At carrying value:		
Short-term deposit	140,023	-

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

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
2023				
Short-term deposit				
01.09.2023	Public Bank Berhad	140,000	140,023	1.31

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

	Weighted average effective interest rate		Weighted average remaining maturities	
	2023	2022	2023	2022
	%	%	Day	Day
Short-term deposit	3.00	-	1	-

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

9. NET GAIN/(LOSS) FROM INVESTMENTS

	2023	2022
	RM	RM
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	141,627	563,447
– Net realised gains on foreign currency exchange	157,794	4,053
– Net unrealised gain/(loss) on changes in fair value of investments	416,790	(2,572,785)
– Net unrealised gains on foreign currency fluctuation of investments denominated in foreign currency	178,296	68,601
	<u>894,507</u>	<u>(1,936,684)</u>

10. TOTAL EQUITY

Total equity is represented by:

	Note	2023	2022
		RM	RM
Unit holders' capital	(a)	7,404,100	8,226,959
Retained earnings			
– Realised Income	(b)	1,739,834	1,738,480
– Unrealised gains	(c)	1,550,152	955,066
		<u>10,694,086</u>	<u>10,920,505</u>

(a) Unit holders' capital/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	53,497,438	8,226,959	51,886,613	7,952,945
Creation during the financial year	3,125,815	655,303	3,732,654	945,575
Reinvestment of distribution (Note 13)	796,969	170,711	4,648,933	979,530
Cancellation during the financial year	<u>(7,947,360)</u>	<u>(1,648,873)</u>	<u>(6,770,762)</u>	<u>(1,651,091)</u>
At end of the financial year	<u>49,472,862</u>	<u>7,404,100</u>	<u>53,497,438</u>	<u>8,226,959</u>

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

10. TOTAL EQUITY (CONT'D.)

(b) Realised - distributable

	2023 RM	2022 RM
At beginning of the financial year	1,738,480	2,253,287
Net realised income for the financial year	172,065	464,723
Distribution out of realised income (Note 13)	(170,711)	(979,530)
At end of the financial year	<u>1,739,834</u>	<u>1,738,480</u>

(c) Unrealised - non-distributable

	2023 RM	2022 RM
At beginning of the financial year	955,066	3,514,299
Net unrealised gain/(loss) for the financial year	595,086	(2,559,233)
At end of the financial year	<u>1,550,152</u>	<u>955,066</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	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 31 August 2023 and 31 August 2022.

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

	2023 RM	2022 RM
(i) Significant related party transactions		
<u>AmFunds Management Berhad</u> Distribution income	<u>11,649</u>	<u>47,951</u>
(ii) Significant related party balances		
<u>AmBank (M) Berhad</u> Cash at bank	<u>874</u>	<u>916</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

12. TAXATION

	2023	2022
	RM	RM
Local tax		
- current year provision	36,282	6,690
- over provision in prior year	(3,856)	-
Foreign tax	28,691	28,296
	<u>61,117</u>	<u>34,986</u>

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

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax. Foreign-sourced income (“FSI”) received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Withholding tax refer to taxable distribution income derived from countries including Germany, Hong Kong, Ireland, Japan, Taiwan and United States calculated at the rates prevailing in these countries.

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:

	2023	2022
	RM	RM
Net income/(loss) before taxation	<u>828,268</u>	<u>(2,059,524)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	198,784	(494,286)
Tax effects of:		
Income not subject to tax	(194,546)	(169,925)
Loss not allowed for tax deduction	19,182	634,843
Restriction on tax deductible expenses for unit trust fund	27,257	34,705
Non-permitted expenses for tax purposes	11,267	25,793
Permitted expenses not used and not available for future financial years	3,029	3,856
Over provision in prior financial year	(3,856)	-
Tax expense for the financial year	<u>61,117</u>	<u>34,986</u>

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

13. DISTRIBUTION

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

	2023	2022
	RM	RM
Undistributed net income brought forward	-	442,410
Distribution income	175,618	214,480
Interest income	3,548	3,216
Net realised gains on sale of investments	141,155	622,550
Net realised gain on foreign currency exchange	84,645	-
	<u>404,966</u>	<u>1,282,656</u>
Less: Expenses	(173,138)	(268,140)
Taxation	(61,117)	(34,986)
Total amount of distribution	<u>170,711</u>	<u>979,530</u>
Gross distribution per unit (sen)	<u>0.42</u>	<u>2.00</u>
Net distribution per unit (sen)	<u>0.35</u>	<u>2.00</u>
Distribution made out of:		
– Realised income [Note 10(b)]	<u>170,711</u>	<u>979,530</u>
Comprising:		
Reinvestment of distribution [Note 10(a)]	<u>170,711</u>	<u>979,530</u>

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

Financial year ended 31 August 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
23 August 2023	<u>0.42</u>	<u>0.35</u>	<u>170,711</u>

Financial year ended 31 August 2022

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
24 August 2022	<u>2.00</u>	<u>2.00</u>	<u>979,530</u>

AmDynamic Allocator

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

13. DISTRIBUTION (CONT'D.)

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

Included in the distribution for the financial year ended 31 August 2022 was RM442,410 distributed from previous financial years' realised income.

The distribution declared for the financial year ended 31 August 2022 has been proposed before taking into account the net unrealised loss of RM2,559,233 arising during the financial year which is carried forward to the next financial year.

14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2023	2022
	% p.a.	% p.a.
Manager's fee	1.14	1.22
Trustee's fee	0.10	0.08
Fund's other expenses	0.38	0.80
Total TER	<u>1.62</u>	<u>2.10</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 0.25 times (2022: 0.18 times).

16. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund's investments are made in the form of CIS. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business on geographical segments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

17. TRANSACTIONS WITH THE MANAGER AND BROKERS

Details of transactions with the Manager and brokers for the financial year ended 31 August 2023 are as follows:

Manager/Brokers	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Instinet Clearing Services				
Jersey City	2,415,634	46.94	1,162	29.16
CLSA Limited (Hong Kong)	778,460	15.12	221	5.53
Daiwa Securities SMBC				
Hong Kong Ltd	582,581	11.32	797	19.99
Instinet Europe Limited	472,508	9.18	1,181	29.63
AmFunds Management Berhad	376,667	7.32	-	-
Daiwa Capital Markets				
America Inc	247,024	4.80	372	9.34
Citibank National Association	196,679	3.82	60	1.51
BNP Paribas Securities				
Services SA	77,160	1.50	193	4.84
	<u>5,146,713</u>	<u>100.00</u>	<u>3,986</u>	<u>100.00</u>

There is no transaction with financial institution related to the Manager, during the financial year.

The above transactions were in respect of listed securities and unquoted CIS. Transactions in unquoted CIS do not involve any commission or brokerage.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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
2023				
Assets				
Investments	10,282,661	-	-	10,282,661
Amount due from brokers	-	50,145	-	50,145
Amount due from Manager	-	28,119	-	28,119
Deposit with a licensed financial institution	-	140,023	-	140,023
Cash at banks	-	262,645	-	262,645
Total financial assets	<u>10,282,661</u>	<u>480,932</u>	<u>-</u>	<u>10,763,593</u>
Liabilities				
Amount due to Manager	-	-	47,302	47,302
Amount due to Trustee	-	-	849	849
Total financial liabilities	<u>-</u>	<u>-</u>	<u>48,151</u>	<u>48,151</u>
2022				
Assets				
Investments	10,796,513	-	-	10,796,513
Cash at banks	-	183,892	-	183,892
Total financial assets	<u>10,796,513</u>	<u>183,892</u>	<u>-</u>	<u>10,980,405</u>
Liabilities				
Amount due to Manager	-	-	38,746	38,746
Amount due to Trustee	-	-	904	904
Total financial liabilities	<u>-</u>	<u>-</u>	<u>39,650</u>	<u>39,650</u>
Income, expenses, gains and losses				
			2023	2022
			RM	RM
Net gain/(loss) from financial assets at FVTPL			894,507	(1,936,684)
Income, of which derived from:				
– Distribution income from financial assets at FVTPL			176,205	214,478
– Interest income from financial assets at amortised cost			3,560	3,216
– Other net realised losses on foreign currency exchange			<u>(72,866)</u>	<u>(72,394)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

18. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value

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

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at FVTPL	7,843,748	2,438,913	-	10,282,661
2022				
Financial assets at FVTPL	8,162,997	2,633,516	-	10,796,513

(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:

- Amount due from brokers
- Amount due from/to Manager
- Deposit with a licensed financial institution
- Cash at banks
- Amount due to Trustee

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 investments 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 investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investments 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 RM	2022 RM
-5.00%	(514,133)	(539,826)
+5.00%	<u>514,133</u>	<u>539,826</u>

(ii) Interest rate risk

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic interest rates on deposits and placements with licensed financial institutions are determined based on prevailing market rates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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, theoretical value	
	2023 RM	2022 RM
+100bps	(4)	-
-100bps	4	-
	4	-

(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.

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency.

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2023 RM	2022 RM
-5.00%	(400,227)	(414,158)
+5.00%	400,227	414,158
	400,227	414,158

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

The net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows:

Assets denominated in	2023		2022	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Euro				
Investments	1,276,972	11.94	1,424,564	13.05
Cash at bank	1	-*	-	-
	<u>1,276,973</u>	<u>11.94</u>	<u>1,424,564</u>	<u>13.05</u>
Hong Kong Dollar				
Investments	<u>361,804</u>	<u>3.38</u>	<u>448,554</u>	<u>4.11</u>
Japanese Yen				
Investments	<u>361,934</u>	<u>3.39</u>	<u>584,443</u>	<u>5.35</u>
New Taiwan Dollar				
Investments	853,035	7.98	752,876	6.89
Cash at bank	157,167	1.47	113,411	1.03
	<u>1,010,202</u>	<u>9.45</u>	<u>866,287</u>	<u>7.92</u>
United States Dollar				
Investments	4,990,003	46.66	4,952,560	45.35
Cash at bank	3,622	0.03	6,756	0.06
	<u>4,993,625</u>	<u>46.69</u>	<u>4,959,316</u>	<u>45.41</u>

* represents less than 0.01%.

(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 distributions receivable. The issuer of such instruments may not be able to fulfil 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 deposit with a licensed financial institution, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

(c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial 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 deposit with licensed financial institution and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

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

(d) Single issuer risk

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

(e) Regulatory risk

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

(f) 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 laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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, make distribution payment, or return capital to unit holders by way of redemption of units.

No changes were made in the objective, policies or processes during the financial years ended 31 August 2023 and 31 August 2022.

AmDynamic Allocator

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 AmDynamic Allocator (“the Fund”) as at 31 August 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
19 October 2023

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMDYNAMIC ALLOCATOR (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 31 August 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 deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed 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 Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
19 October 2023

DIRECTORY

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P.O Box 13611, 50816 Kuala Lumpur

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

