

Semi-Annual Report for

# AmDynamic Allocator

29 February 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

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

### **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**

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 unaudited accounts of AmDynamic Allocator ("Fund") for the financial period from 1 September 2023 to 29 February 2024.

### Salient Information of the Fund

<b>Name</b>	AmDynamic Allocator ("Fund")
<b>Category/ Type</b>	Fund-of-Funds (Mixed assets) / Growth and Income
<b>Objective</b>	<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>
<b>Duration</b>	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.
<b>Performance Benchmark</b>	<p>AmBank (M) Berhad 12-months fixed deposit rate + 3.00% per annum ("AMBB") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</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>
<b>Income Distribution Policy</b>	Subject to availability of income, distribution is paid once a year.

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 29 February 2024 and for the past three financial years are as follows:				
		<b>As at 29.02.2024 %</b>	<b>As at 31 August</b>		
			<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>
	Foreign exchange traded funds	77.30	73.35	74.75	74.51
	Local collective investment schemes	18.97	22.80	24.11	21.95
	Money market deposits and cash equivalents	3.73	3.85	1.14	3.54
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
<b>Performance Details</b>	Performance details of the Fund for the financial period ended 29 February 2024 and three financial years ended 31 August are as follows:				
		<b>FPE 29.02.2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
	Net asset value (RM)	12,827,070	10,694,086	10,920,505	13,720,531
	Units in circulation	55,239,143	49,472,862	53,497,438	51,886,613
	Net asset value per unit (RM)	0.2322	0.2162	0.2041	0.2644
	Highest net asset value per unit (RM)	0.2342	0.2236	0.2668	0.2755
	Lowest net asset value per unit (RM)	0.2040	0.1914	0.2041	0.2205
	Benchmark performance (%)	2.75	5.45	4.66	4.55
	Total return (%) <sup>(1)</sup>	7.25	7.23	-15.02	18.34
	- Capital growth (%)	7.25	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 (%) <sup>(2)</sup>	0.82	1.62	2.10	1.44
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.26	0.25	0.18	0.28
	<i>Note:</i>				
	<i>(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.</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.</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.</i>				

**Average Total Return (as at 29 February 2024)**

	<b>AmDynamic Allocator<sup>(a)</sup></b> %	<b>AMBB<sup>(b)</sup></b> %
One year	13.95	5.58
Three years	2.22	5.06
Five years	6.91	5.20
Ten years	4.94	5.74

**Annual Total Return**

<b>Financial Years Ended (31 August)</b>	<b>AmDynamic Allocator<sup>(a)</sup></b> %	<b>AMBB<sup>(b)</sup></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](http://www.aminvest.com))

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

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

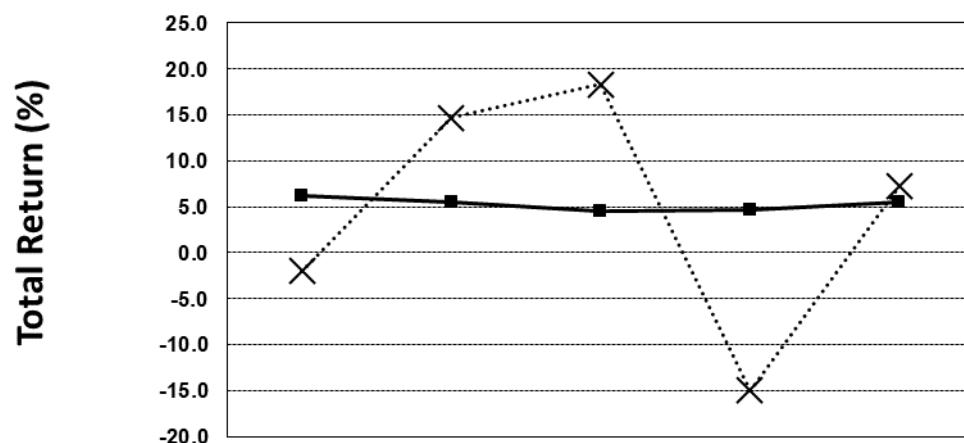
**Fund Performance**

For the financial period under review, the Fund registered a return of 7.25% which is entirely capital growth in nature.

Thus, the Fund’s return of 7.25% has outperformed the benchmark’s return of 2.75% by 4.50%.

As compared with the financial year ended 31 August 2023, the net asset value (“NAV”) per unit of the Fund increased by 7.40% from RM0.2162 to RM0.2322, while units in circulation increased by 11.66% from 49,472,862 units to 55,239,143 units.

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 period 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 29 February 2024 and 31 August 2023.

	As at 29.02.2024 %	As at 31.08.2023 %	Changes %
Foreign exchange traded funds	77.30	73.35	3.95
Local collective investment schemes	18.97	22.80	-3.83
Money market deposits and cash equivalents	3.73	3.85	-0.12
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

For the financial period under review, the Fund remains heavily invested in foreign and local collective investment schemes with exposure of 77.30% and 18.97% of its NAV respectively. However, compared to the last financial year, cash balance declined by 0.12%.

#### Securities Lending / Repurchase Transactions

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

<b>Cross Trade</b>	There were no cross trades undertaken during the financial period under review.
<b>Distribution/ unit splits</b>	There is no income distribution and unit split declared for the financial period under review.
<b>State of Affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.
<b>Rebates and Soft Commission</b>	<p>During the period, 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 11 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>
<b>Market Review</b>	<p>The global equity market started the financial year with cautious mode. The S&amp;P 500 Index declined 4.9% and 2.2% in September and October, respectively, as the Federal Reserve (Fed) signaled that it could keep interest rates higher for longer, while the updated dot plot of economic and rate projections was significantly more hawkish than anticipated.</p> <p>After the selloffs, the global equity markets rebounded strongly in November and December. The S&amp;P 500 Index jumped 8.9% in November, followed by another 4.4% in December, buoyed by a plunge in Treasury bond yield after an underwhelming Purchasing Managers' Index (PMI) manufacturing number, a higher-than-expected unemployment rate, as well as optimism following the Fed's signal to end its rate-hiking campaign, paving the way for rate cuts in 2024.</p> <p>Moving into 2024, the global equity market continued the positive momentum, with S&amp;P 500 registering a gain of 6.8% for the first two months. The strong performance was supported by technology stocks related to artificial intelligence (AI), while the Fed's forecast of looser monetary policy by end 2024 also helped the sentiment. Economic data was also favorable in the United States (US), with Quarter 4 Gross Domestic Product (GDP) expanding 3.4% versus the initial 2.0% consensus, while core inflation continued to trend lower in January and February 2024. As a result, the S&amp;P 500 Index closed at 5,096.27 points, registering a gain of +13.1% (+15.6% in Ringgit terms) over the financial period under review.</p>
<b>Market Outlook</b>	The United States (US) Federal Reserve (Fed) fund rate is expected to ease in 2024, boding well to the equity markets in general. However, corporate earnings will still be affected by the elevated interest rate level as they roll over debts that were financed at lower rates previously. Equity valuation though, remains reasonable. Markets are expected to remain volatile in 2024, driven by the Fed's move on interest rate, geopolitical concerns, as well as elections that are taking place in many countries.



	To ride through the macro headwinds, the portfolio will adopt a barbell strategy to balance value/ growth versus defensiveness, as well as the focus on geographies and sectors.
<b>Additional Information</b>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad (AFM), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>2) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>3) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.</li> <li>4) 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 investment strategy and asset allocation of AmDynamic Allocator. Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 has been published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the Unit Holders on 13 March 2024.</li> </ol>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 April 2024

## AmDynamic Allocator

### STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024

	Note	29.02.2024 (unaudited) RM	31.08.2023 (audited) RM
<b>ASSETS</b>			
Investments	4	12,348,030	10,282,661
Amount due from brokers	5	-	50,145
Amount due from Manager	6(a)	2,580	28,119
Deposit with a licensed financial institution	7	535,047	140,023
Cash at banks		171,311	262,645
<b>TOTAL ASSETS</b>		<b>13,056,968</b>	<b>10,763,593</b>
<b>LIABILITIES</b>			
Amount due to brokers	5	107,081	-
Amount due to Manager	6(b)	101,080	47,302
Amount due to Trustee	8	792	849
Tax payable		598	8,049
Sundry payables and accruals		20,347	13,307
<b>TOTAL LIABILITIES</b>		<b>229,898</b>	<b>69,507</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>12,827,070</b>	<b>10,694,086</b>
<b>EQUITY</b>			
Unit holders' capital	10(a)	8,755,242	7,404,100
Retained earnings	10(b)(c)	4,071,828	3,289,986
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<b>12,827,070</b>	<b>10,694,086</b>
<b>UNITS IN CIRCULATION</b>	10(a)	<b>55,239,143</b>	<b>49,472,862</b>
<b>NAV PER UNIT (RM)</b>		<b>0.2322</b>	<b>0.2162</b>

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

## AmDynamic Allocator

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

		01.09.2023 to 29.02.2024	01.09.2022 to 28.02.2023
	Note	RM	RM
<b>INVESTMENT INCOME</b>			
Distribution income		93,504	99,904
Interest income		5,206	1,676
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	878,378	202,594
Other net realised losses on foreign currency exchange		(65,326)	(37,849)
Other net unrealised gains on foreign currency exchange		540	326
		<u>912,302</u>	<u>266,651</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(63,982)	(58,281)
Trustee’s fee	8	(4,972)	(4,959)
Audit fee		(3,473)	(3,460)
Tax agent’s fee		(9,149)	(8,976)
Brokerage and other transaction fees		(6,881)	(1,914)
Custodian’s fee		(5,542)	(4,959)
Other expenses		(3,147)	(2,607)
		<u>(97,146)</u>	<u>(85,156)</u>
<b>Net income before taxation</b>		815,156	181,495
<b>Taxation</b>	12	<u>(33,314)</u>	<u>(40,493)</u>
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>781,842</u>	<u>141,002</u>
Total comprehensive income comprises the following:			
Realised income		119,133	121,334
Unrealised gains		662,709	19,668
		<u>781,842</u>	<u>141,002</u>

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

## AmDynamic Allocator

### STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 September 2023		7,404,100	3,289,986	10,694,086
Total comprehensive income for the financial period		-	781,842	781,842
Creation of units	10(a)	4,241,285	-	4,241,285
Cancellation of units	10(a)	(2,890,143)	-	(2,890,143)
Balance at 29 February 2024		<u>8,755,242</u>	<u>4,071,828</u>	<u>12,827,070</u>
At 1 September 2022		8,226,959	2,693,546	10,920,505
Total comprehensive income for the financial period		-	141,002	141,002
Creation of units		264,645	-	264,645
Cancellation of units		(991,440)	-	(991,440)
Balance at 28 February 2023		<u>7,500,164</u>	<u>2,834,548</u>	<u>10,334,712</u>

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

## AmDynamic Allocator

### STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

	Note	01.09.2023 to 29.02.2024 RM	01.09.2022 to 28.02.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		2,249,555	1,778,470
Purchase of investments		(3,344,106)	(934,994)
Distributions received		74,796	71,892
Interest received		5,206	1,676
Manager's fee paid		(63,871)	(59,943)
Trustee's fee paid		(5,029)	(5,096)
Custodian's fee paid		(5,542)	(4,959)
Tax paid		(22,057)	(1,134)
Payments for other expenses		(15,610)	(6,006)
Net cash (used in)/generated from operating and investing activities		<u>(1,126,658)</u>	<u>839,906</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		4,266,824	264,645
Payments for cancellation of units		(2,836,476)	(994,532)
Net cash generated from/(used in) financing activities		<u>1,430,348</u>	<u>(729,887)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		303,690	110,019
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>402,668</u>	<u>183,892</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		<u>706,358</u>	<u>293,911</u>
Cash and cash equivalents comprise:			
Deposit with a licensed financial institution	7	535,047	-
Cash at banks		171,311	293,911
		<u>706,358</u>	<u>293,911</u>

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

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 1. GENERAL INFORMATION

AmDynamic Allocator (the “Fund”) was established pursuant to a Deed dated 8 September 2011 as amended by Deeds supplemental thereto (the “Deeds”), 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 Deeds, 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 18 April 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 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 and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information (Amendments to MFRS 17 Insurance Contracts)*</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

Standards issued but not yet effective

The standards and amendments to standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16 <i>Leases : Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

**3. SUMMARY OF ACCOUNTING POLICIES**

**3.1 Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Distribution income

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

(ii) Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 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 SEPTEMBER 2023 TO 29 FEBRUARY 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 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 distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**3.7 Unit holders' capital**

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

**3.8 Financial assets – initial recognition and measurement**

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 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 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 PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 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*

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.

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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

**3.11 Derecognition of financial instruments**

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either:
  - the Fund has transferred substantially all the risks and rewards of the asset, or
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(ii) Derecognition of financial liability

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

**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 investment 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

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

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

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

**3.15 Significant accounting estimates and judgments**

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investments as financial assets at FVTPL as the Fund may sell its investments in the short-term for profit-taking or to meet unit holders' cancellation of units.

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

**4. INVESTMENTS**

	<b>29.02.2024</b>	<b>31.08.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
Unquoted CIS - local	2,432,837	2,438,913
Exchange traded funds - foreign	9,915,193	7,843,748
	<u>12,348,030</u>	<u>10,282,661</u>

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

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

Details of investments as at 29 February 2024 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 %
<b>Unquoted CIS - local</b>				
AmBalanced*	201,212	274,252	256,669	2.14
AmCumulative Growth*	231,271	209,925	227,922	1.64
AmDynamic Bond*	942,280	679,949	618,324	5.30
AmIslamic Global SRI*	1,139,800	1,268,711	1,139,039	9.89
<b>Total unquoted CIS - local</b>	<b>2,514,563</b>	<b>2,432,837</b>	<b>2,241,954</b>	<b>18.97</b>
<b>Exchange traded funds - foreign</b>				
<b>Germany</b>				
iShares Core EURO STOXX 50 UCITS ETF	533	134,301	123,475	1.05
<b>Total in Germany</b>	<b>533</b>	<b>134,301</b>	<b>123,475</b>	<b>1.05</b>
<b>Hong Kong</b>				
Global X China Clean Energy ETF	2,950	135,724	183,248	1.06
iShares Core MSCI Asia ex Japan ETF	14,216	429,654	412,020	3.35
iShares Core S&P BSE Sensex India ETF	6,800	160,718	162,568	1.25
<b>Total in Hong Kong</b>	<b>23,966</b>	<b>726,096</b>	<b>757,836</b>	<b>5.66</b>
<b>Ireland</b>				
iShares Edge MSCI World Momentum Factor UCITS ETF	856	286,587	151,549	2.23
iShares Edge MSCI World Quality Factor UCITS ETF	653	196,339	133,504	1.53
iShares Edge MSCI World Value Factor UCITS ETF	981	192,285	171,230	1.50
iShares MSCI EMU Large Cap UCITS ETF	1,356	387,114	312,465	3.02
iShares MSCI EMU Mid Cap UCITS ETF	1,422	356,041	306,179	2.78
<b>Total in Ireland</b>	<b>5,268</b>	<b>1,418,366</b>	<b>1,074,927</b>	<b>11.06</b>

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

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

Details of investments as at 29 February 2024 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.)</b>				
<b>Japan</b>				
Daiwa ETF-Nikkei 225 ETF	343	440,125	315,043	3.43
<b>Total in Japan</b>	<b>343</b>	<b>440,125</b>	<b>315,043</b>	<b>3.43</b>
<b>Taiwan</b>				
Fubon Taiwan Technology Tracker Fund	13,000	280,669	238,947	2.19
Yuanta/P-shares Taiwan Dividend Plus ETF	79,712	450,405	266,579	3.51
Yuanta/P-shares Taiwan Top 50 ETF	21,460	460,907	203,927	3.59
<b>Total in Taiwan</b>	<b>114,172</b>	<b>1,191,981</b>	<b>709,453</b>	<b>9.29</b>
<b>United States</b>				
Consumer Staples Select Sector SPDR	664	234,420	225,445	1.83
ETFMG Prime Cyber Security ETF	1,201	371,437	260,283	2.90
iShares 20 Year Treasury Bond ETF	882	393,902	407,844	3.07
iShares Barclays 7-10 Year Treasury Bond Fund	589	263,160	259,354	2.05
iShares Global Comm Services ETF	730	282,264	214,949	2.20
iShares Global Consumer Discretionary ETF	368	289,540	207,705	2.26
iShares MSCI China ETF	1,794	331,694	379,283	2.59
iShares S&P Global Technology Sector Index Fund	1,157	402,873	272,689	3.14
iShares US Healthcare ETF	224	322,168	290,480	2.51

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

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

Details of investments as at 29 February 2024 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.)</b>				
<b>United States (cont'd.)</b>				
Vanguard 500 Index Fund	165	365,340	343,843	2.85
Vanguard Consumer Staples Index Fund	258	242,632	216,740	1.89
Vanguard Long-Term Treasury ETF	999	278,740	364,613	2.17
Vanguard S&P 500 Growth ETF	330	466,892	204,629	3.64
Vanguard S&P 500 Value ETF	317	260,552	209,019	2.03
Vanguard S&P Mid-Cap 400 Growth ETF	623	317,229	248,826	2.47
Vanguard S&P Mid-Cap 400 ETF	701	324,835	224,783	2.53
Vanguard S&P Mid-Cap 400 Value ETF	588	239,933	159,918	1.87
Vanguard S&P Small-Cap 600 Growth ETF	601	311,299	211,294	2.43
Vanguard S&P Small-Cap 600 ETF	655	305,414	211,324	2.38
<b>Total in United States</b>	<b>12,846</b>	<b>6,004,324</b>	<b>4,913,021</b>	<b>46.81</b>
<b>Total exchange traded funds - foreign</b>	<b>157,128</b>	<b>9,915,193</b>	<b>7,893,755</b>	<b>77.30</b>
<b>Total financial assets at FVTPL</b>	<b>2,671,691</b>	<b>12,348,030</b>	<b>10,135,709</b>	<b>96.27</b>
<b>Excess of fair value over purchased cost</b>		<b>2,212,321</b>		

\* These CIS are managed by the Manager.



## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 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.

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

	Note	29.02.2024 RM	31.08.2023 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>2,580</u>	<u>28,119</u>
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	89,307	35,640
Manager's fee payable	(iii)	<u>11,773</u>	<u>11,662</u>
		<u>101,080</u>	<u>47,302</u>

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

(ii) This amount 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% (31.08.2023: 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 29 February 2024 and 31 August 2023, there is no double charging of Manager's fee.

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

#### 7. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	29.02.2024 RM	31.08.2023 RM
At nominal value:		
Short-term deposit	<u>535,000</u>	<u>140,000</u>
At carrying value:		
Short-term deposit	<u>535,047</u>	<u>140,023</u>

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 7. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION (CONT'D.)

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

<b>Maturity date</b>	<b>Financial institution</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>29.02.2024</b>				
<b>Short-term deposit</b>				
01.03.2024	Malayan Banking Berhad	<u>535,000</u>	<u>535,047</u>	<u>4.17</u>

#### 8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (31.08.2023: 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 financial year and current financial period for Trustee's fee payable is one month.

#### 9. NET GAINS FROM INVESTMENTS

	<b>01.09.2023 to 29.02.2024 RM</b>	<b>01.09.2022 to 28.02.2023 RM</b>
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	61,850	108,502
– Net realised gains on foreign currency exchange	154,359	74,750
– Net unrealised gain/(loss) on changes in fair value of investments	661,593	(6,400)
– Net unrealised gains on foreign currency fluctuation of investments denominated in foreign currency	<u>576</u>	<u>25,742</u>
	<u>878,378</u>	<u>202,594</u>

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 10. TOTAL EQUITY

Total equity is represented by:

	Note	29.02.2024 RM	31.08.2023 RM
Unit holders' capital	(a)	8,755,242	7,404,100
Retained earnings			
– Realised income	(b)	1,858,967	1,739,834
– Unrealised gains	(c)	2,212,861	1,550,152
		<u>12,827,070</u>	<u>10,694,086</u>

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

	29.02.2024		31.08.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	49,472,862	7,404,100	53,497,438	8,226,959
Creation during the financial period/year	18,735,767	4,241,285	3,125,815	655,303
Reinvestment of distribution	-	-	796,969	170,711
Cancellation during the financial period/year	<u>(12,969,486)</u>	<u>(2,890,143)</u>	<u>(7,947,360)</u>	<u>(1,648,873)</u>
At end of the financial period/year	<u>55,239,143</u>	<u>8,755,242</u>	<u>49,472,862</u>	<u>7,404,100</u>

#### (b) Realised – distributable

	29.02.2024 RM	31.08.2023 RM
At beginning of the financial period/year	1,739,834	1,738,480
Net realised income for the financial period/year	119,133	172,065
Distribution out of realised income	-	(170,711)
At end of the financial period/year	<u>1,858,967</u>	<u>1,739,834</u>

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

	29.02.2024 RM	31.08.2023 RM
At beginning of the financial period/year	1,550,152	955,066
Net unrealised gains for the financial period/year	662,709	595,086
At end of the financial period/year	<u>2,212,861</u>	<u>1,550,152</u>

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 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 29 February 2024 and 31 August 2023.

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

	<b>29.02.2024</b>	<b>31.08.2023</b>
	<b>RM</b>	<b>RM</b>
<b>(i) Significant related party transaction</b>		
<u>AmFunds Management Berhad</u> Distribution income	<u>5,464</u>	<u>11,649</u>
<b>(ii) Significant related party balance</b>		
<u>AmBank (M) Berhad</u> Cash at bank	<u>858</u>	<u>874</u>

#### 12. TAXATION

	<b>01.09.2023 to 29.02.2024</b>	<b>01.09.2022 to 28.02.2023</b>
	<b>RM</b>	<b>RM</b>
Local tax	14,606	18,701
Foreign tax	<u>18,708</u>	<u>21,792</u>
	<u>33,314</u>	<u>40,493</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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

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.

The taxation charged for the financial period is related to withholding tax derived from countries including Germany, Hong Kong, Taiwan and United States at the rates prevailing in these countries.

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

	<b>01.09.2023 to 29.02.2024 RM</b>	<b>01.09.2022 to 28.02.2023 RM</b>
Net income before taxation	<u>815,156</u>	<u>181,495</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	195,637	43,559
Tax effects of:		
Income not subject to tax	(202,417)	(25,039)
Losses not allowed for tax deduction	16,779	1,536
Restriction on tax deductible expenses for unit trust fund	14,570	13,336
Non-permitted expenses for tax purposes	7,126	5,620
Permitted expenses not used and not available for future financial periods	<u>1,619</u>	<u>1,481</u>
Tax expense for the financial period	<u>33,314</u>	<u>40,493</u>

**13. TOTAL EXPENSE RATIO (“TER”)**

The Fund’s TER is as follows:

	<b>01.09.2023 to 29.02.2024 % p.a.</b>	<b>01.09.2022 to 28.02.2023 % p.a.</b>
Manager’s fee	0.58	0.56
Trustee’s fee	0.05	0.05
Fund’s other expenses	<u>0.19</u>	<u>0.20</u>
Total TER	<u>0.82</u>	<u>0.81</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.

## AmDynamic Allocator

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.26 times (01.09.2023 to 28.02.2023: 0.14 times).

#### 15. 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.

#### 16. TRANSACTIONS WITH THE MANAGER AND BROKERS

Details of transactions with the Manager and brokers for the financial period ended 29 February 2024 are as follows:

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Instinet Clearing Services				
Jersey City	2,529,364	44.25	703	10.21
Instinet Europe Limited	966,075	16.90	2,415	35.10
Instinet Pacific Limited				
Hong Kong Branch	654,228	11.44	1,691	24.58
Daiwa Capital Markets				
America Inc	610,691	10.68	921	13.38
Citibank National Association	266,594	4.66	94	1.37
AmFunds Management Berhad	253,078	4.43	-	-
Masterlink Securities Co. Ltd	179,199	3.14	538	7.81
Daiwa Securities SMBC				
Hong Kong Ltd	150,241	2.63	252	3.66
BNP Paribas Securities				
Services SA	106,992	1.87	267	3.89
	<u>5,716,462</u>	<u>100.00</u>	<u>6,881</u>	<u>100.00</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

**17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

**(a) Market risk**

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

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

**(i) Price risk**

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

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

**(iii) Currency risk (cont'd.)**

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

Assets/Liabilities denominated in	29.02.2024		31.08.2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>Euro</b>				
Investments	1,552,667	12.11	1,276,972	11.94
Cash at bank	5	_*	1	_*
	<u>1,552,672</u>	<u>12.11</u>	<u>1,276,973</u>	<u>11.94</u>
<b>Hong Kong Dollar</b>				
Investments	726,096	5.66	361,804	3.38
Amount due to broker	(47,607)	(0.37)	-	-
	<u>678,489</u>	<u>5.29</u>	<u>361,804</u>	<u>3.38</u>
<b>Japanese Yen</b>				
Investments	<u>440,125</u>	<u>3.43</u>	<u>361,934</u>	<u>3.39</u>
<b>New Taiwan Dollar</b>				
Investments	1,191,981	9.29	853,035	7.98
Cash at bank	9,033	0.07	157,167	1.47
	<u>1,201,014</u>	<u>9.36</u>	<u>1,010,202</u>	<u>9.45</u>
<b>United States Dollar</b>				
Investments	6,004,324	46.81	4,990,003	46.66
Cash at bank	3,704	0.03	3,622	0.03
Amount due to broker	(59,474)	(0.46)	-	-
	<u>5,948,554</u>	<u>46.38</u>	<u>4,993,625</u>	<u>46.69</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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

**(b) Credit risk (cont'd.)**

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

**(d) Single issuer risk**

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

**(e) Regulatory risk**

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

**(f) Country risk**

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

**(g) Management risk**

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

**(h) Non-compliance risk**

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

## **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 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmDynamic Allocator (the “Fund”) as at 29 February 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

18 April 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMDYNAMIC ALLOCATOR ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 29 February 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 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.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
18 April 2024

## DIRECTORY

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Email: enquiries@aminvest.com

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P.O Box 13611, 50816 Kuala Lumpur

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

