

Semi-Annual Report for

AmDynamic Bond

31 January 2025



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

Trustee

HSBC (Malaysia) Trustee Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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Manager's Report

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmDynamic Bond ("Fund") for the financial period from 1 August 2024 to 31 January 2025.

Salient Information of the Fund

Name	AmDynamic Bond ("Fund")
Category/ Type	Bond / Income
Objective	<p>AmDynamic Bond is a medium to long-term bond fund with potentially higher level of income* and risk.</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	<p>The Fund was established on 16 September 2003 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.</p>
Performance Benchmark	<p>BPAM Corporates All Bond Index (Available at www.aminvest.com)</p> <p><i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i></p>
Income Distribution Policy	<p>Subject to the availability of income, distribution will be made at least twice every year.</p> <p>At the Manager's discretion, the Fund may distribute from its gain, income and capital. The rationale for distribution out of capital is to allow the Fund the ability to (i) distribute income on a regular basis in accordance with the distribution policy of the Fund or (ii) increase the amount of distributable income to the Unit Holders, after taking into consideration the risk of distributing out of capital.</p> <p>Distribution out of the Fund's capital has the effect of lowering the NAV of the Fund, may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to the Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</p>

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 January 2025 and for the past three financial years are as follows:				
		As at 31.01.2025 %	As at 31 July		
			2024 %	2023 %	2022 %
	Local corporate bonds	84.65	80.60	85.55	84.87
	Foreign corporate bonds	7.19	5.56	4.73	4.73
	Forward contract	-	-	0.04	-
	Foreign Government bond	-	1.11	-	2.38
	Malaysian Government Securities	-	-	2.27	-
	Government Investment Issues	-	4.97	-	-
	Money market deposits and cash equivalents	8.16	7.76	7.41	8.02
	Total	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
Performance Details	Performance details of the Fund for the financial period ended 31 January 2025 and three financial years ended 31 July are as follows:				
		FPE 31.01.2025	FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)	98,869,415	105,885,838	95,175,079	94,102,452
	Units in circulation	136,546,676	143,834,971	136,531,304	140,945,274
	Net asset value per unit (RM)	0.7240	0.7361	0.6971	0.6677
	Highest net asset value per unit (RM)	0.7374	0.7361	0.7004	0.6941
	Lowest net asset value per unit (RM)	0.7161	0.6970	0.6607	0.6629
	Benchmark performance (%)	1.89	5.90	6.71	0.30
	Total return (%) ⁽¹⁾	1.14	6.10	6.34	0.08
	- Capital growth (%)	-1.62	5.61	4.45	-3.39
	- Income distribution (%)	2.76	0.49	1.89	3.47
	Gross distribution (sen per unit)	2.0701	0.3439	1.2725	2.4078
	Net distribution (sen per unit)	2.0282	0.3400	1.2600	2.4000
	Total expense ratio (%) ⁽²⁾	0.54	1.06	1.06	1.06
	Portfolio turnover ratio (times) ⁽³⁾	0.29	0.46	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 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>				

(3) *Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.*

Average Total Return (as at 31 January 2025)

	AmDynamic Bond^(a) %	Benchmark^{(b)**} %
One year	3.66	4.64
Three years	4.58	4.82
Five years	3.40	3.90
Ten years	5.02	4.90

Annual Total Return

Financial Years Ended (31 July)	AmDynamic Bond^(a) %	Benchmark^{(b)**} %
2024	6.10	5.90
2023	6.34	6.71
2022	0.08	0.30
2021	0.71	0.67
2020	7.35	8.35

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

(b) *BPAM Corporates All Bond Index (Available at www.aminvest.com).*

**** Benchmark - Until 30 September 2016 - All Malaysian Government Securities Index ("AMGS").**

- from 1 October 2016 onwards - BPAM Corporates All Bond Index.

The Fund performance is calculated based on 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.

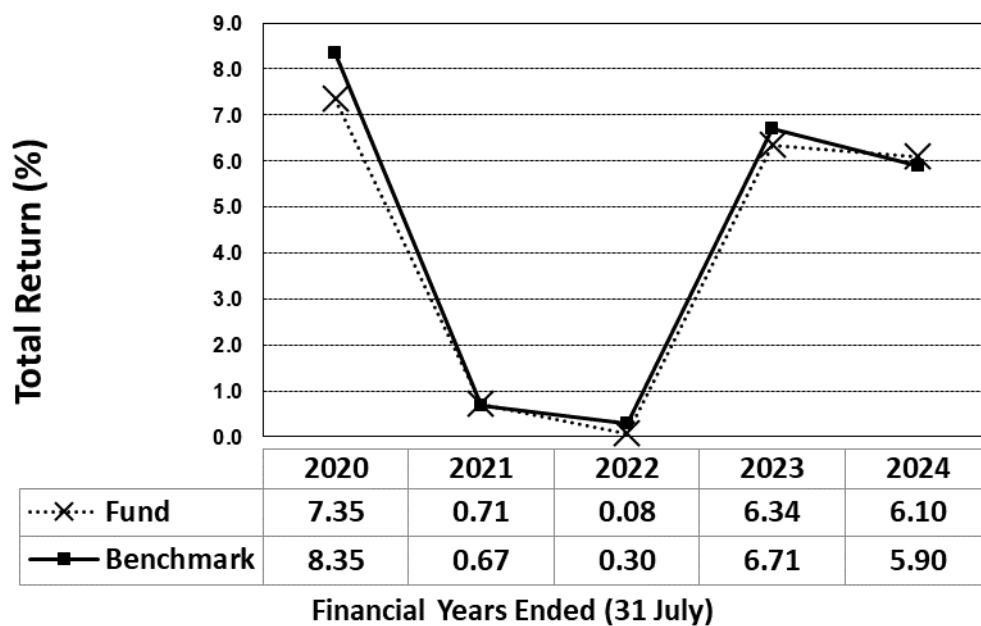
Fund Performance

For the financial period under review, the Fund registered a return of 1.14% comprising of negative 1.62% capital and 2.76% income distribution.

Thus, the Fund's return of 1.14% has underperformed the benchmark's return of 1.89% by 0.75%.

As compared with the financial year ended 31 July 2024, the net asset value ("NAV") per unit of the Fund decreased by 1.64% from RM0.7361 to RM0.7240, while units in circulation decreased by 5.07% from 143,834,971 units to 136,546,676 units.

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



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

Strategies and Policies Employed

For the financial period under review, the Fund invested primarily in debt securities, and by active portfolio trading.

The Fund's investment maturity profile is subject to active tactical duration management in view of the interest rate view.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 January 2025 and 31 July 2024.

	As at 31.01.2025 %	As at 31.07.2024 %	Changes %
Local corporate bonds	84.65	80.60	4.05
Foreign corporate bonds	7.19	5.56	1.63
Foreign Government bond	-	1.11	-1.11
Government Investment Issues	-	4.97	-4.97
Money market deposits and cash equivalents	8.16	7.76	0.40
Total	100.00	100.00	

For the financial period under review, the Fund invested 84.65% of its NAV in local corporate bonds, 7.19% in foreign corporate bonds while remaining 8.16% was held in money market deposits and cash equivalents.

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 period under review.								
Distribution/ unit splits	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <table border="1"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>19-Sep-24</td> <td>2.0282</td> <td>0.7365</td> <td>0.7163</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	19-Sep-24	2.0282	0.7365	0.7163
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
19-Sep-24	2.0282	0.7365	0.7163						
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.								
Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.								
Market Review	<p>The Malaysia bond market was slightly bearish in August 2024 as Malaysian Government Securities (MGS) saw yields rose marginally across the curve, despite the lowering of yields in the United States Treasury (UST) curve. Much of the movement in the United States (US) reflects the expectation of an aggressive rate cuts by US Federal Reserve (Fed) while the marginal shift in local MGS curve reflects the absence of local catalyst following a rally in July.</p> <p>In September, MGS yields fell across the curve, in tandem with lowering yields in the UST. In terms of curve movement, MGS curve bull-flattened with rates fallen from 2-6 basis points (bps) month-on-month (MoM) on the long to ultra long-end of the curve, whilst the UST curve bull-steepened with yields lowered by 23-49bps MoM on the short-end of the curve.</p> <p>Malaysian bond market was under pressure in October as investor turned bearish bias, influenced by the sell-off in UST driven by uncertainties surrounding US presidential election and prospect of slower rate cut by US Fed. Sentiment was generally weaker throughout the month despite Budget 2025 tabled by Prime Minister (PM) Anwar on 18 October projected a narrower deficit of -3.8% of Gross Domestic Product (GDP) for 2025. Overall, MGS curve bear flattened, with yields rose 6-22bps on MoM basis in October.</p> <p>In November, the local bond market rallied as investors were influenced by similar bullish sentiment in UST in the later part of the month, coupled with Bank Negara Malaysia (BNM) announcement of the cancellation of the 3-year Government Investment Issue (GII). The lower-than-anticipated government bond supply in the market resulted in a buoyant sentiment with MGS yields fell between 5 and 15bps on MoM basis in November.</p> <p>Malaysian bond market traded marginally weaker in the final month of the year amidst profit taking activities on the back of bearish global bond backdrop and partly contributed by a lack of liquidity in second half of December as many were away for year-end holiday. This was despite positive news from BNM on the announcement of a much smaller than expected final government bond auction for the year. Overall, MGS yields rose 1-4bps, except for the ultra-long end 30-Year MGS which declined 1 bps on a MoM basis in December.</p>								

	<p>Local bond market was mixed in January 2025, amidst Malaysia advanced fourth quarter Gross Domestic Product (GDP) and Consumer Price Index (CPI) for December both came in lower than expectations, and a stronger than anticipated showing for exports for the month. During the first Monetary Policy Committee (MPC) meeting of the year, Bank Negara Malaysia (BNM) has decided to maintain the Overnight policy rate (OPR) at 3.0%. Overall, Malaysian Government Securities (MGS) traded firmer with yields fell 1-2bps, except for the ultra-long MGS which increased 1bps on a MoM basis in January.</p>
Market Outlook	<p>Bank Negara Malaysia (BNM) is expected to maintain its current policy rates throughout 2025. This stability in interest rates is anticipated to support the bond market, as it reduces uncertainty and volatility.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 March 2025

AmDynamic Bond

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025

	Note	31.01.2025 (unaudited) RM	31.07.2024 (audited) RM
ASSETS			
Investments	4	90,800,747	97,662,650
Amount due from Manager	5(a)	-	50,505
Sundry receivable		517	583
Tax recoverable		51,989	28,978
Deposit with licensed financial institution	6	7,905,671	7,792,672
Cash at banks		258,212	465,442
TOTAL ASSETS		<u>99,017,136</u>	<u>106,000,830</u>
LIABILITIES			
Amount due to Manager	5(b)	132,448	99,667
Amount due to Trustee	7	3,388	3,536
Sundry payables and accruals		11,885	11,789
TOTAL LIABILITIES		<u>147,721</u>	<u>114,992</u>
NET ASSET VALUE (“NAV”) OF THE FUND		<u>98,869,415</u>	<u>105,885,838</u>
EQUITY			
Unit holders’ capital	9(a)	87,429,404	92,764,052
Retained earnings	9(b)(c)	11,440,011	13,121,786
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>98,869,415</u>	<u>105,885,838</u>
UNITS IN CIRCULATION	9(a)	<u>136,546,676</u>	<u>143,834,971</u>
NAV PER UNIT (RM)		<u>0.7240</u>	<u>0.7361</u>

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

AmDynamic Bond

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

	Note	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
INVESTMENT INCOME			
Interest income		2,469,557	2,173,186
Other income	9(a)	218,593	65,920
Net (loss)/gain from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	(995,852)	1,495,495
Other net realised gains on foreign currency exchange		36,157	13,088
		<u>1,728,455</u>	<u>3,747,689</u>
EXPENDITURE			
Manager’s fee	5	(523,621)	(474,459)
Trustee’s fee	7	(20,945)	(18,978)
Audit fee		(3,541)	(3,527)
Tax agent’s fee		(2,318)	(2,313)
Custodian’s fee		(1,464)	(1,185)
Other expenses		(4,260)	(3,369)
		<u>(556,149)</u>	<u>(503,831)</u>
Net income before taxation		1,172,306	3,243,858
Taxation	11	(1,134)	(28,501)
Net income after taxation, representing total comprehensive income for the financial period		<u>1,171,172</u>	<u>3,215,357</u>
Total comprehensive income comprises the following:			
Realised income		2,426,566	1,780,731
Unrealised (loss)/gain		(1,255,394)	1,434,626
		<u>1,171,172</u>	<u>3,215,357</u>
Distribution for the financial period			
Net distribution	12	<u>2,852,947</u>	<u>443,407</u>
Gross distribution per unit (sen)	12	<u>2.0701</u>	<u>0.3439</u>
Net distribution per unit (sen)	12	<u>2.0282</u>	<u>0.3400</u>

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

AmDynamic Bond

STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 August 2024		92,764,052	13,121,786	105,885,838
Total comprehensive income for the financial period		-	1,171,172	1,171,172
Creation of units	9(a)	13,908,989	-	13,908,989
Reinvestment of distribution	9(a)	2,843,842	-	2,843,842
Cancellation of units	9(a)	(22,087,479)	-	(22,087,479)
Distribution	12	-	(2,852,947)	(2,852,947)
Balance at 31 January 2025		<u>87,429,404</u>	<u>11,440,011</u>	<u>98,869,415</u>
At 1 August 2023		87,273,692	7,901,387	95,175,079
Total comprehensive income for the financial period		-	3,215,357	3,215,357
Creation of units		5,371,602	-	5,371,602
Reinvestment of distribution		440,009	-	440,009
Cancellation of units		(9,506,638)	-	(9,506,638)
Distribution	12	-	(443,407)	(443,407)
Balance at 31 January 2024		<u>83,578,665</u>	<u>10,673,337</u>	<u>94,252,002</u>

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

AmDynamic Bond

STATEMENT OF CASH FLOWS (Unaudited) FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	32,928,571	10,844,553
Purchases of investments	(27,143,202)	(9,061,408)
Net settlement from derivative contracts	-	(26,625)
Interest received	2,586,396	2,178,220
Other income	218,659	66,481
Manager's fee paid	(527,586)	(472,994)
Trustee's fee paid	(21,093)	(19,020)
Custodian's fee paid	(1,464)	(1,185)
Tax paid	(24,145)	(24,474)
Payments for other expenses	(10,023)	(8,720)
Net cash generated from operating and investing activities	<u>8,006,113</u>	<u>3,474,828</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	13,959,493	5,350,368
Payments for cancellation of units	(22,050,732)	(9,574,562)
Distribution paid	(9,105)	(4,098)
Net cash used in financing activities	<u>(8,100,344)</u>	<u>(4,228,292)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(94,231)	(753,464)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>8,258,114</u>	<u>6,959,262</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>8,163,883</u>	<u>6,205,798</u>
Cash and cash equivalents comprise:		
Deposit with licensed financial institution	7,905,671	5,848,481
Cash at banks	258,212	357,317
	<u>8,163,883</u>	<u>6,205,798</u>

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

1. GENERAL INFORMATION

AmDynamic Bond (the “Fund”) was established pursuant to a Deed dated 11 September 2003 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of providing investors a medium to long term bond fund with potentially higher level of income and risk. As provided in the Deeds, the financial year shall end on 31 July and the units in the Fund were first offered for sale on 16 September 2003.

The financial statements were authorised for issue by the Manager on 19 March 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

Standards effective during the financial period

The adoption of the following MFRS and amendments to MFRS which became effective during the financial period did not have any material financial impact to the financial statements.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	
Amendments to MFRS 9 <i>Financial Instruments</i>	
Amendments to MFRS 10 <i>Consolidated Financial Statements*</i>	
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Income recognition

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

(i) Interest income

For all interest-bearing financial assets, interest income is calculated using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

3.1 Income recognition (cont'd.)

(i) Interest income (cont'd.)

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) 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 AUGUST 2024 TO 31 JANUARY 2025**

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

3.6 Distribution

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from interest income, other 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 as it meets all criteria for such classification under MFRS 132 Financial Instruments: Presentation ("MFRS 132").

3.8 Financial instruments – initial recognition and measurement

(i) Initial recognition

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

(ii) Initial measurement

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

(iii) "Day 1" profit or loss

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

3.9 Financial assets

Classification and measurement

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

Business model

The business model reflects how the Fund manages the financial assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model. Factors considered by the Fund in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

Cash flow characteristics

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Fund assesses whether the financial assets' contractual cash flows represent solely payment of principal and interest ("SPPI"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

3.9 Financial assets (cont'd.)

Classification and measurement (cont'd.)

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposit with licensed financial institution, 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 assets. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

Financial assets at FVTPL

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

3.10 Financial liabilities – classification and subsequent measurement

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

3.11 Derecognition of financial instruments

(i) Derecognition of financial asset

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

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and
 - 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

3.13 Determination of fair value

For investments in local fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd. plus accrued interest, which includes the accretion of discount and amortisation of premium. For investments in foreign fixed income securities, fair value will be based on indicative prices provided by independent and reputable institutions plus accrued interest. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3.14 Classification of realised and unrealised gains and losses

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

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

3.15 Significant accounting estimates and judgments

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

4. INVESTMENTS

	31.01.2025 RM	31.07.2024 RM
Financial assets at FVTPL		
Fixed income securities – local	83,690,415	90,596,988
Fixed income securities – foreign	7,110,332	7,065,662
	<u>90,800,747</u>	<u>97,662,650</u>

Details of investments as at 31 January 2025 are as follows:

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Fixed income securities – local					
Corporate bonds					
21.12.2026	MBSB Bank Berhad	3,000,000	3,083,325	3,018,555	3.12
19.03.2027	IJM Land Berhad	10,000,000	10,431,932	10,304,725	10.55
20.04.2028	UMW Holdings Berhad	8,000,000	8,636,153	8,143,353	8.73
03.05.2028	UDA Holdings Berhad	400,000	410,860	405,464	0.42
13.10.2028	Amanat Lebuhraya Rakyat Berhad	1,000,000	1,048,637	1,014,677	1.06
05.01.2029	Edra Energy Sdn. Bhd.	1,000,000	1,078,555	1,029,891	1.09
12.10.2029	Amanat Lebuhraya Rakyat Berhad	1,500,000	1,589,562	1,522,467	1.61
05.07.2030	Johor Corporation	1,000,000	1,030,820	1,003,170	1.04
30.04.2031	OSK Rated Bond Sdn. Bhd.	5,000,000	5,186,903	5,058,203	5.25

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 January 2025 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Fixed income securities – local (cont'd.)					
Corporate bonds (cont'd.)					
09.05.2031	UDA Holdings Berhad	2,000,000	2,054,916	2,032,984	2.08
29.07.2031	Selangor State Development Corporation	5,000,000	5,023,136	5,013,245	5.08
28.11.2031	Eco World Capital Berhad	3,000,000	3,037,686	3,022,866	3.07
31.05.2032	GENM Capital Berhad	13,500,000	13,687,918	13,620,013	13.85
23.06.2034	YTL Corporation Berhad	5,000,000	5,205,215	5,051,539	5.26
11.11.2036	YTL Corporation Berhad	4,000,000	4,405,399	4,071,258	4.46
02.06.2037	TNB Power Generation Sdn. Bhd.	250,000	277,752	252,110	0.28
05.01.2038	Edra Energy Sdn. Bhd.	5,000,000	6,185,649	5,168,085	6.26
21.03.2039	IJM Treasury Management Sdn. Bhd.	7,000,000	7,306,472	7,293,484	7.39
02.06.2042	TNB Power Generation Sdn. Bhd.	500,000	572,730	504,345	0.58
30.06.2042	Tenaga Nasional Berhad	2,000,000	2,325,072	2,009,692	2.35

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 January 2025 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Fixed income securities – local (cont'd.)					
Corporate bonds (cont'd.)					
06.10.2042	Solarpack Suria Sungai Petani Sdn. Bhd.	1,000,000	1,111,723	1,027,705	1.12
Total corporate bonds		<u>79,150,000</u>	<u>83,690,415</u>	<u>80,567,831</u>	<u>84.65</u>
Total fixed income securities - local		<u>79,150,000</u>	<u>83,690,415</u>	<u>80,567,831</u>	<u>84.65</u>

Maturity date	Issuer	Nominal value USD	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Fixed income securities – foreign					
Corporate bonds denominated in United States Dollar (“USD”)					
27.06.2029	The Bank of East Asia, Limited	1,000,000	4,434,447	4,710,409	4.48
09.03.2031	HSBC Holdings PLC	200,000	808,600	812,805	0.82
27.04.2032	Lenovo Group Limited	400,000	1,867,285	1,916,556	1.89
Total corporate bonds		<u>1,600,000</u>	<u>7,110,332</u>	<u>7,439,770</u>	<u>7.19</u>
Total fixed income securities – foreign		<u>1,600,000</u>	<u>7,110,332</u>	<u>7,439,770</u>	<u>7.19</u>
Total financial assets at FVTPL			<u>90,800,747</u>	<u>88,007,601</u>	<u>91.84</u>
Excess of fair value over adjusted cost			<u>2,793,146</u>		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

5. AMOUNT DUE FROM/TO MANAGER

	Note	31.01.2025 RM	31.07.2024 RM
(a) Due from Manager			
Creation of units	(i)	-	50,505
(b) Due to Manager			
Cancellation of units	(ii)	36,746	-
Manager's fee payable	(iii)	95,702	99,667
		<u>132,448</u>	<u>99,667</u>

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

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

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

(iii) Manager's fee is at a rate of 1.00% (31.07.2024: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis.

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

6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION

	31.01.2025 RM	31.07.2024 RM
At nominal value:		
Short-term deposit	<u>7,905,000</u>	<u>7,792,000</u>
At carrying value:		
Short-term deposit	<u>7,905,671</u>	<u>7,792,672</u>

Details of deposit with licensed financial institution are as follows:

Maturity date	Financial Institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
31.01.2025				
Short-term deposit				
03.02.2025	CIMB Bank Berhad	<u>7,905,000</u>	<u>7,905,671</u>	<u>8.00</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (31.07.2024: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis.

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

8. NET (LOSS)/GAIN FROM INVESTMENTS

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	365,953	30,244
– Net realised loss on settlement of derivative contract	-	(26,625)
– Net realised (loss)/gain on foreign currency exchange	(106,411)	57,250
– Net unrealised (loss)/gain on changes in fair value of investments	(1,101,890)	1,307,188
– Net unrealised loss from revaluation of derivative contracts	-	(35,293)
– Net unrealised (loss)/gain on foreign currency fluctuation of investments denominated in foreign currency	(153,504)	162,731
	<u>(995,852)</u>	<u>1,495,495</u>

9. TOTAL EQUITY

Total equity is represented by:

	Note	31.01.2025 RM	31.07.2024 RM
Unit holders' capital	(a)	87,429,404	92,764,052
Retained earnings			
– Realised income	(b)	8,646,865	9,073,246
– Unrealised gains	(c)	2,793,146	4,048,540
		<u>98,869,415</u>	<u>105,885,838</u>

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

9. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/Units in circulation

	31.01.2025		31.07.2024	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	143,834,971	92,764,052	136,531,304	87,273,692
Creation during the financial period/year	19,346,015	13,908,989	28,245,541	20,395,038
Reinvestment of distribution	3,970,183	2,843,842	613,510	440,009
Cancellation during the financial period/year	(30,604,493)	(22,087,479)	(21,555,384)	(15,344,687)
At end of the financial period/year	<u>136,546,676</u>	<u>87,429,404</u>	<u>143,834,971</u>	<u>92,764,052</u>

The Manager charged an exit penalty fee of 1.00% (2024: 1.00%) on the NAV per unit of the Fund during the financial period. The exit penalty will be recognised as income of the Fund.

(b) Realised – distributable

	31.01.2025 RM	31.07.2024 RM
At beginning of the financial period/year	9,073,246	6,663,755
Net realised income for the financial period/year	2,426,566	2,852,899
Distribution out of realised income	<u>(2,852,947)</u>	<u>(443,408)</u>
At end of the financial period/year	<u>8,646,865</u>	<u>9,073,246</u>

(c) Unrealised – non-distributable

	31.01.2025 RM	31.07.2024 RM
At beginning of the financial period/year	4,048,540	1,237,632
Net unrealised (loss)/gain for the financial period/year	<u>(1,255,394)</u>	<u>2,810,908</u>
At end of the financial period/year	<u>2,793,146</u>	<u>4,048,540</u>

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

10. 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 other related party as at 31 January 2025 and 31 July 2024.

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

	31.01.2025 RM	31.07.2024 RM
Significant related party balance		
<u>AmBank (M) Berhad</u>		
Cash at bank	364	380

11. TAXATION

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Local tax		
– current period	39,789	28,501
– over provision in prior period	(38,655)	-
	<u>1,134</u>	<u>28,501</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.

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 exempted 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.

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

11. TAXATION (CONT'D.)

Based on the Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024, a qualifying unit trust is exempted from the payment of income tax in respect of the gross income from all sources of income under section 4 of the Act which is received in Malaysia from outside Malaysia between 1 January 2024 to 31 December 2026.

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:

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Net income before taxation	1,172,306	3,243,858
Taxation at Malaysian statutory rate of 24% (2024: 24%)	281,353	778,526
Tax effects of:		
Income not subject to tax	(694,773)	(880,069)
Losses not allowed for tax deduction	332,406	20,612
Restriction on tax deductible expenses for unit trust fund	114,059	103,386
Non-permitted expenses for tax purposes	6,744	6,046
Over provision in previous period	(38,655)	-
Tax expense for the financial period	1,134	28,501

12. DISTRIBUTION

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

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Gross distribution per unit (sen)	2.0701	0.3439
Net distribution per unit (sen)	2.0282	0.3400

Financial period ended 31 January 2025

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
19 September 2024	2.0701	2.0282	2,852,947

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

12. DISTRIBUTION (CONT'D.)

Details of distribution to unit holders for the financial periods are as follows: (cont'd.)

Financial period ended 31 January 2024

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
23 January 2024	0.3439	0.3400	443,407

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

The distribution declared for the financial period ended 31 January 2025 have been proposed before taking into account the net unrealised loss of RM1,255,394 arising during the financial period which is carried forward to the next financial period.

Distribution during the current financial period was sourced from realised income. There was no distribution out of capital.

13. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	01.08.2024 to 31.01.2025 % p.a.	01.08.2023 to 31.01.2024 % p.a.
Manager's fee	0.50	0.50
Trustee's fee	0.02	0.02
Fund's other expenses	0.02	0.01
Total TER	0.54	0.53

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

14. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.29 times (01.08.2023 to 31.01.2024: 0.11 times).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

15. SEGMENTAL REPORTING

The Manager and Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by two segments:

- A portfolio of foreign fixed income instruments; and
- A portfolio of local fixed income instruments, including deposit with licensed financial institution

The investment objective of each segment is to achieve consistent returns from the investments in each segment while safeguarding capital by investing in diversified portfolios. There have been no changes in reportable segments in the current financial period.

	01.08.2024 to 31.01.2025			01.08.2023 to 31.01.2024		
	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM
Interest income	199,787	2,269,770	2,469,557	121,784	2,051,402	2,173,186
Net (loss)/gain from investments:						
– Financial assets at FVTPL	(457,423)	(538,429)	(995,852)	198,660	1,296,835	1,495,495
– Other net realised gains on foreign currency exchange	36,157	-	36,157	13,088	-	13,088
Total segment investment income for the financial period	(221,479)	1,731,341	1,509,862	333,532	3,348,237	3,681,769

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

15. SEGMENTAL REPORTING (CONT'D.)

	31.01.2025			31.07.2024		
	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM
Financial assets at FVTPL	7,110,332	83,690,415	90,800,747	7,065,662	90,596,988	97,662,650
Deposit with licensed financial institution	-	7,905,671	7,905,671	-	7,792,672	7,792,672
Total segment assets	<u>7,110,332</u>	<u>91,596,086</u>	<u>98,706,418</u>	<u>7,065,662</u>	<u>98,389,660</u>	<u>105,455,322</u>

Expenses of the Fund are not considered part of the performance of any investment segment. The following table provides reconciliation between the net reportable segment investment income and net income after taxation:

	01.08.2024 to 31.01.2025 RM	01.08.2023 to 31.01.2024 RM
Net reportable segment investment income	1,509,862	3,681,769
Other income	218,593	65,920
Less: Expenses	(556,149)	(503,831)
Net income before taxation	<u>1,172,306</u>	<u>3,243,858</u>
Taxation	(1,134)	(28,501)
Net income after taxation	<u>1,171,172</u>	<u>3,215,357</u>

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

	31.01.2025 RM	31.07.2024 RM
Total segment assets	98,706,418	105,455,322
Amount due from Manager	-	50,505
Sundry receivable	517	583
Tax recoverable	51,989	28,978
Cash at banks	258,212	465,442
Total assets of the Fund	<u>99,017,136</u>	<u>106,000,830</u>

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025

15. SEGMENTAL REPORTING (CONT'D.)

	31.01.2025	31.07.2024
	RM	RM
Amount due to Manager	132,448	99,667
Amount due to Trustee	3,388	3,536
Sundry payables and accruals	11,885	11,789
Total liabilities of the Fund	<u>147,721</u>	<u>114,992</u>

16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 31 January 2025 are as follows:

	Transactions value	
	RM	%
CIMB Bank Berhad	17,584,112	29.00
CIMB Islamic Bank Berhad	10,198,723	16.82
JP Morgan Securities (M) Sdn. Bhd.	9,223,999	15.21
Hong Leong Investment Bank Berhad	6,805,126	11.22
AmBank (M) Berhad*	4,178,898	6.89
RHB Investment Bank Berhad	3,643,165	6.01
Novate Global Markets Limited	3,087,325	5.09
AmBank Islamic Berhad*	3,000,000	4.95
JP Morgan Securities Ltd. London	1,100,680	1.81
Hong Leong Bank Berhad	1,012,340	1.67
Others	806,880	1.33
Total	<u>60,641,248</u>	<u>100.00</u>

* Financial institutions related to the Manager.

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

The above transactions are in respect of fixed income instruments. Transactions in these investments do not involve any commission or brokerage fee.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

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

(a) Market risk

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

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

(i) 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.

(ii) Currency risk

Currency risk is associated with the Fund's financial assets and financial 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 net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows:

Financial assets denominated in	31.01.2025		31.07.2024	
	RM equivalent	% of NAV	RM equivalent	% of NAV
United States Dollar				
Investments	7,110,332	7.19	7,065,662	6.67
Cash at bank	246,822	0.25	454,776	0.43
	7,357,154	7.44	7,520,438	7.10
Indonesian Rupiah				
Cash at bank	3	-*	3	-*

* represents less than 0.01%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund is exposed to the risk of bond issuers and financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

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 assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected. This is also the risk of fund experiencing large redemptions, when the Investment Manger could be forced to sell large volumes of its holdings at unfavorable prices to meet redemptions requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 JANUARY 2025**

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

(g) Management risk

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

(h) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with the respective internal policies, the Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

AmDynamic Bond

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 Bond (the “Fund”) as at 31 January 2025 and of the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

19 March 2025

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMDYNAMIC BOND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 January 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

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

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur, Malaysia
Date: 19 March 2025

DIRECTORY

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

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

