

Annual Report for

# AmDynamic Sukuk

31 July 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

### **Investment Manager**

AmIslamic Funds Management Sdn Bhd

### **Shariah Adviser**

Amanie Advisors Sdn Bhd

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmDynamic Sukuk ("Fund") for the financial year ended 31 July 2024.

### Salient Information of the Fund

<b>Name</b>	AmDynamic Sukuk ("Fund")
<b>Category/Type</b>	Sukuk / Growth
<b>Objective</b>	The Fund aims to provide capital appreciation by investing primarily in Sukuk both locally and globally.  <i>Note:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>
<b>Duration</b>	The Fund was established on 12 June 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>	BPAM Corporates Sukuk Index ("BPAMCSI") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )  <i>The performance benchmark has been changed from Bloomberg AIBIM Bursa Malaysia Sovereign Shariah Index (BMSSI) because BMSSI has been discontinued by Bloomberg effective 25 July 2015.</i>  <i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i>
<b>Income Distribution Policy</b>	Class A and Class B: Income distribution (if any) is incidental.

### Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 July are as follows:			
		<b>As at 31 July</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>	
	%	%	%	
Corporate sukuk	74.75	86.62	91.48	
Government Investment Issues	-	-	4.14	
Money market deposits and cash equivalents	25.25	13.38	4.38	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			

**Performance Details**

Performance details of the Fund for the financial years ended 31 July are as follows:

	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)			
- Class A	6,970,820	6,228,853	14,184,533
- Class B	2,638,063	2,772,714	2,606,369
Units in circulation			
- Class A	4,526,594	4,289,482	10,257,952
- Class B	1,773,096	1,976,332	1,954,119
Net asset value per unit (RM)			
- Class A	1.5400	1.4521	1.3828
- Class B	1.4878	1.4030	1.3338
Highest net asset value per unit (RM)			
- Class A	1.5400	1.4710	1.3956
- Class B	1.4878	1.4189	1.3462
Lowest net asset value per unit (RM)			
- Class A	1.4515	1.3695	1.3479
- Class B	1.4024	1.3209	1.3002
Benchmark performance (%)			
- Class A	5.88	6.79	0.11
- Class B	5.88	6.79	0.11
Total return (%) <sup>(1)</sup>			
- Class A	6.05	6.41	-0.36
- Class B	6.04	6.41	-0.37
- Capital growth (%)			
- Class A	6.05	5.01	-0.47
- Class B	6.04	5.19	-0.48
- Income distribution (%)			
- Class A	-	1.40	0.11
- Class B	-	1.22	0.11
Gross distribution (sen per unit)			
- Class A	-	1.98	0.15
- Class B	-	1.71	0.15
Net distribution (sen per unit)			
- Class A	-	1.93	0.15
- Class B	-	1.63	0.15
Total expense ratio (%) <sup>(2)</sup>			
Portfolio turnover ratio (times) <sup>(3)</sup>			
	0.82	0.80	0.29

**Note:**

- (1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER increased by 0.14% as compared to 1.23% per annum for the financial year ended 31 July 2023 mainly due to decrease in average fund size.
- (3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2024 and 2023 were due mainly to investing activities.

### Average Total Return (as at 31 July 2024)

	AmDynamic Sukuk <sup>(a)</sup> %	BPAMCSI/AIBIM BMSSI <sup>** (b)</sup> %
One year		
- Class A	6.05	5.88
- Class B	6.04	5.88
Three years		
- Class A	3.99	4.22
- Class B	3.98	4.22
Five years		
- Class A	3.55	4.34
- Class B	3.55	4.34
Ten years		
- Class A	4.51	4.63
Since launch		
- Class A (20 June 2012)	4.35	4.23
- Class B (16 March 2015)	4.49	4.92

### Annual Total Return

Financial Years Ended (31 July)	AmDynamic Sukuk <sup>(a)</sup> %	BPAMCSI <sup>(b)</sup> %
2024		
- Class A	6.05	5.88
- Class B	6.04	5.88
2023		
- Class A	6.41	6.79
- Class B	6.41	6.79
2022		
- Class A	-0.36	0.11
- Class B	-0.37	0.11
2021		
- Class A	-2.30	0.65
- Class B	-2.28	0.65
2020		
- Class A	8.38	8.55
- Class B	8.37	8.55

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

(b) BPAM Corporates Sukuk Index ("BPAMCSI") (Available at [www.aminvest.com](http://www.aminvest.com))

\*\* Benchmark – from 20 June 2012 to 25 July 2015

- Bloomberg AIBIM Bursa Malaysia Sovereign Shariah Index (BMSSI).

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**

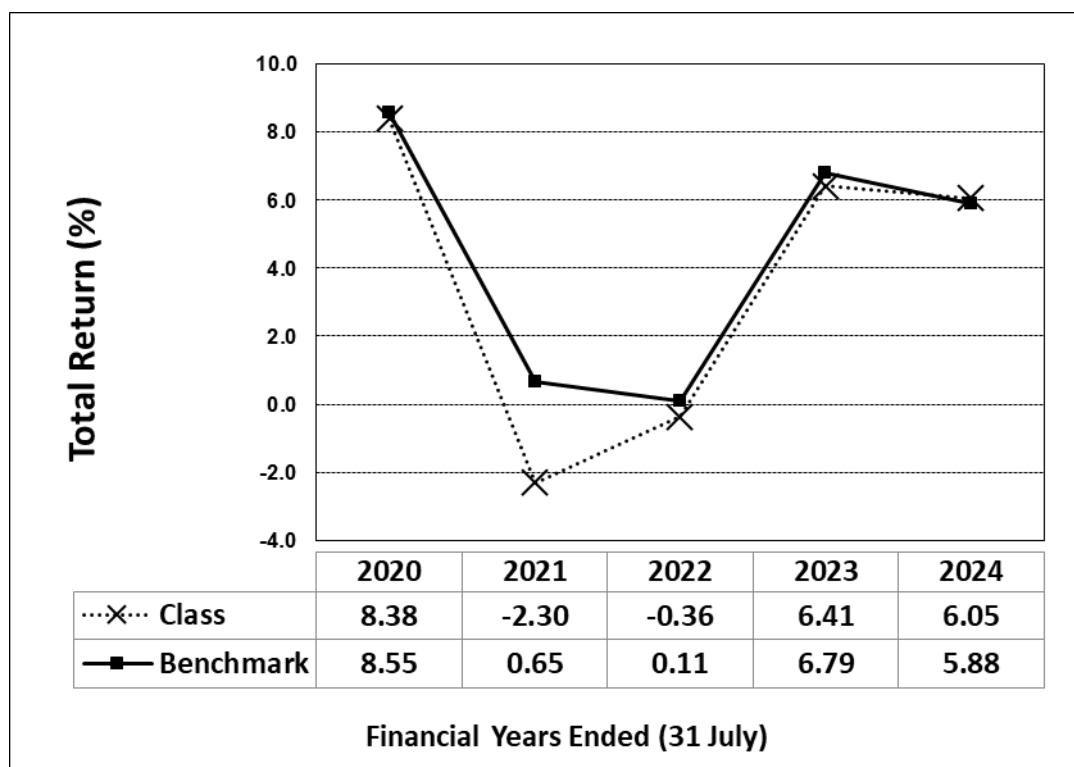
Class A

For the financial year under review, the Fund registered a return of 6.05% which is entirely capital growth in nature.

Thus, the Fund's return of 6.05% has outperformed the benchmark's return of 5.88% by 0.17%.

As compared with the financial year ended 31 July 2023, the net asset value ("NAV") per unit of the Fund increased by 6.05% from RM1.4521 to RM1.5400, while units in circulation increased by 5.53% from 4,289,482 units to 4,526,594 units.

The following line chart shows comparison between the annual performances of AmDynamic Sukuk – Class A and its benchmark, BPAMCSI, for the financial years ended 31 July.



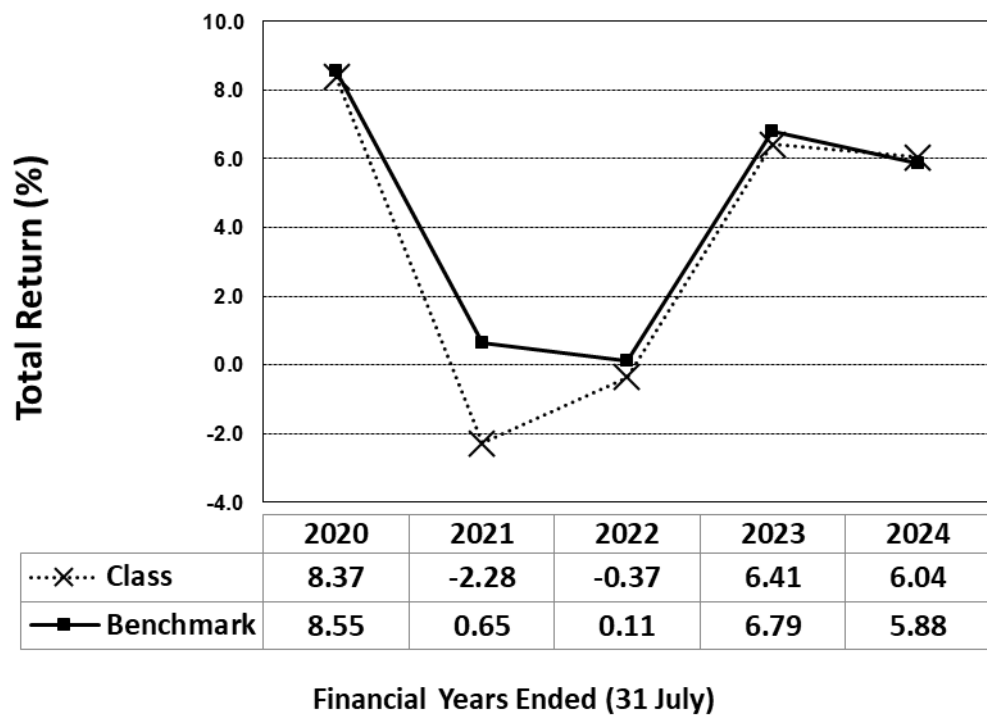
Class B

For the financial year under review, the Fund registered a return of 6.04% which is entirely capital growth in nature.

Thus, the Fund's return of 6.04% has outperformed the benchmark's return of 5.88% by 0.16%.

As compared with the financial year ended 31 July 2023, the net asset value ("NAV") per unit of the Fund increased by 6.04% from RM1.4030 to RM1.4878, while units in circulation decreased by 10.28% from 1,976,332 units to 1,773,096 units.

The following line chart shows comparison between the annual performances of AmDynamic Sukuk – Class B and its benchmark, BPAMCSI, 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

To achieve the investment objective, the Fund undertakes active management to enhance and optimize returns from investing in sovereign, quasi-sovereign and corporate sukuk. There is no minimum rating for a sukuk purchased or held by the Fund. This is to enable the Manager of the Fund to take a relatively high level of calculated credit risk for the Fund, justified by the relatively high level of expected return that could be generated by the Fund in return for taking the higher level of credit risk. In managing the Fund, the Manager may opt to invest in the investments either directly or via collective investment schemes.

In managing the Fund, the Manager of the Fund employs active tactical duration management; yield curve positioning and credit spread arbitrage. Credit spread arbitrage and yield curve positioning is part of relative value approach that involves analysis of general economic and market conditions and the use of models to analyze and compare expected returns as well as the assumed risks. The Manager will focus on sukuk that would deliver better returns to the Fund for a given level of risk. In addition, the Manager may also consider sukuk with favourable or improving credit outlook that provide the potential for capital appreciation for these investments. The Fund may invest in sukuk of varying maturities. The Fund's investment maturity profile is subject to active tactical duration management in view of the interest rate scenario without any portfolio maturity limitation.

The Fund invests in Malaysia and to a lesser extent, in eligible markets of other countries globally.



<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 July 2024 and 31 July 2023.</p> <table border="1" data-bbox="363 219 1465 461"> <thead> <tr> <th></th> <th>As at 31.07.2024 %</th> <th>As at 31.07.2023 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate sukuk</td> <td>74.75</td> <td>86.62</td> <td>-11.87</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>25.25</td> <td>13.38</td> <td>11.87</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>As at end of financial year 31 July 2024, 74.75% of the Fund's NAV was invested in corporate sukuk and 25.25% was invested in money market deposits and cash equivalents.</p>		As at 31.07.2024 %	As at 31.07.2023 %	Changes %	Corporate sukuk	74.75	86.62	-11.87	Money market deposits and cash equivalents	25.25	13.38	11.87	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	As at 31.07.2024 %	As at 31.07.2023 %	Changes %														
Corporate sukuk	74.75	86.62	-11.87														
Money market deposits and cash equivalents	25.25	13.38	11.87														
<b>Total</b>	<b>100.00</b>	<b>100.00</b>															
<b>Securities Lending / Repurchase Transactions</b>	<p>The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").</p>																
<b>Cross Trade</b>	<p>There were no cross trades undertaken during the financial year under review.</p>																
<b>Distribution/ Unit splits</b>	<p>There is no income distribution and unit split declared for the financial year under review.</p>																
<b>State of Affairs</b>	<p>There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.</p>																
<b>Rebates and Soft Commission</b>	<p>During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>																
<b>Market Review</b>	<p>After experiencing bullish trends in early 2023, the Malaysian bond market saw a pullback in second half of 2023, driven by weaker global sentiment. Malaysia bond market ended the year in a positive territory, on the narrative that the Federal Reserve's (Fed) period of rate tightening may be over and setting the stage for rate cuts to occur in 2024.</p> <p>In 2024, Malaysia bond market started the year with a sell-off amid profit taking activities. Local bond market traded weaker in early February as risk-off sentiment emerged in global rate after strong United States (US) jobs data and higher-than-expected US inflation prints forced US Fed to push back on dovish market expectations. Malaysian bond market was trading in a tight range of 4-9 basis points (bps) in March 2024.</p> <p>In April 2024, Malaysian bond market underperformed, in tandem with the sell-off in United States Treasuries (UST) as sticky inflation and a resilient labor market have given more reasons for the US Fed to stand pat on key rates. Apart from that, thin market liquidity and rising geopolitical risk in the Middle East also dented local bond market sentiment. In May 2024, Malaysian bond market strengthened driven primarily by lower-than-expected US Job data released at the beginning of the month and dovish tone from the US Fed in its post-Federal Open Market Committee (FOMC) meeting speech. Bank Negara Malaysia (BNM) also maintained the Overnight Policy Rate (OPR) at 3.00% during policy meeting with a neutral monetary stance. Overall, the Malaysian Government Securities (MGS) curve bull-flattened in May 2024 with yields declined by 2-12bps on a month-on-</p>																

	<p>month (MoM) basis. In June 2024, Malaysian bond market further strengthened driven by similar movement in the UST as the US economic data showed some signs of moderating inflation. The MGS curve experienced a bull steepening in June 2024, with yields declining by 1 to 6 basis points on a MoM basis, led by the 3-year and 7-year. In July 2024, the Malaysian bond market strengthened as it was influenced by similar bullish sentiment in US Treasuries on continued disinflation and signs of a tighter labour market. The MGS curve continued bull steepening more strongly than the previous month, with yields declining by 15bps on MoM basis for the 3-year, 5-year, 7-year and 10-year tenures. The ultra-long 20-year and 30-year MGS also rallied with yields falling in the mid- to high- single digit bps.</p>
<b>Market Outlook</b>	<p>With the US Fed poised to cut rates as soon as September 2024, we expect further fund flows from offshore investors to intensify in the coming months. This provides the catalyst for the market to rally further, especially the government bonds market. Market liquidity is expected to remain ample with strong demands on bonds on an extended pause on the OPR by BNM.</p> <p>We continue to be overweight on portfolio duration versus the benchmark. For security selection, we prefer corporate bonds for more yield pickup.</p>
<b>Additional Information</b>	<p>The following information was updated:</p> <p>The Eleventh Supplementary Master Prospectus dated 1 March 2024 has been registered with the Securities Commission Malaysia. Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 was 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.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 September 2024

## **Independent auditors' report to the unit holders of AmDynamic Sukuk**

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

#### *Opinion*

We have audited the financial statements of AmDynamic Sukuk (the "Fund"), which comprise the statement of financial position as at 31 July 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and in our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Independent auditors' report to the unit holders of AmDynamic Sukuk (cont'd.)**

### *Information other than the financial statements and auditors' report thereon (cont'd.)*

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### *Responsibilities of the Manager and the Trustee for the financial statements*

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditors' report to the unit holders of  
AmDynamic Sukuk (cont'd.)**

*Auditors' responsibilities for the audit of the financial statements (cont'd.)*

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of  
AmDynamic Sukuk (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Ng Sue Ean  
No. 03276/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
18 September 2024

## AmDynamic Sukuk

### STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Shariah-compliant investments	4	7,182,506	7,797,537
Amount due from broker	5	1,471,992	412,635
Amount due from Manager	6(a)	420	10,000
Shariah-compliant deposit with licensed financial institution	7	957,076	796,064
Tax recoverable		6,113	-
Cash at bank		10,207	10,770
<b>TOTAL ASSETS</b>		<u>9,628,314</u>	<u>9,027,006</u>
<b>LIABILITIES</b>			
Amount due to Manager	6(b)	9,141	8,529
Amount due to Trustee	8	847	792
Tax payable		-	6,562
Sundry payables and accruals		9,443	9,556
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>19,431</u>	<u>25,439</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>9,608,883</u>	<u>9,001,567</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:</b>			
Unit holders’ contribution	10(a)(b)	6,359,975	6,301,772
Retained earnings	10(c)(d)	3,248,908	2,699,795
	10	<u>9,608,883</u>	<u>9,001,567</u>
<b>NET ASSET VALUE</b>			
- Class A		6,970,820	6,228,853
- Class B		2,638,063	2,772,714
		<u>9,608,883</u>	<u>9,001,567</u>
<b>UNITS IN CIRCULATION</b>			
- Class A	10(a)	<u>4,526,594</u>	<u>4,289,482</u>
- Class B	10(b)	<u>1,773,096</u>	<u>1,976,332</u>
<b>NAV PER UNIT (RM)</b>			
- Class A		<u>1.5400</u>	<u>1.4521</u>
- Class B		<u>1.4878</u>	<u>1.4030</u>

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

## AmDynamic Sukuk

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	2024 RM	2023 RM
<b>SHARIAH-COMPLIANT INVESTMENT INCOME</b>			
Profit income		413,323	660,654
Other income	10(a)(b)	23,559	89,175
Net gains from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	271,214	357,717
Other net realised loss on foreign currency exchange		(28,187)	-
		<u>679,909</u>	<u>1,107,546</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(93,205)	(151,582)
Trustee’s fee	8	(10,000)	(10,000)
Audit fee		(5,000)	(5,000)
Tax agent’s fee		(4,100)	(4,100)
Other expenses		(15,248)	(14,246)
		<u>(127,553)</u>	<u>(184,928)</u>
<b>Net income before finance cost and taxation</b>		552,356	922,618
Finance cost – distribution to unit holders			
– Class A		-	(81,632)
– Class B		-	(31,844)
		<u>-</u>	<u>(113,476)</u>
<b>Net income before taxation</b>		552,356	809,142
<b>Taxation</b>	12	(3,243)	(17,644)
<b>Net income after taxation, representing total comprehensive income for the financial year</b>		<u>549,113</u>	<u>791,498</u>
Total comprehensive income comprises the following:			
Realised income		307,533	351,733
Unrealised gains		241,580	439,765
		<u>549,113</u>	<u>791,498</u>
<b>Distribution for the financial year</b>			
Net distribution	13	-	113,476
Gross distribution per unit (sen)			
– Class A	13(a)	-	1.98
– Class B	13(b)	-	1.71
Net distribution per unit (sen)			
– Class A	13(a)	-	1.93
– Class B	13(b)	-	1.63

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



## AmDynamic Sukuk

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	Unit holders' contribution RM	Retained earnings RM	Total RM
At 1 August 2023		6,301,772	2,699,795	9,001,567
Total comprehensive income for the financial year		-	549,113	549,113
Creation of units				
- Class A	10(a)	2,372,608	-	2,372,608
- Class B	10(b)	105,810	-	105,810
Cancellation of units				
- Class A	10(a)	(2,021,019)	-	(2,021,019)
- Class B	10(b)	(399,196)	-	(399,196)
Balance at 31 July 2024		<u>6,359,975</u>	<u>3,248,908</u>	<u>9,608,883</u>
At 1 August 2022		14,882,605	1,908,297	16,790,902
Total comprehensive income for the financial year		-	791,498	791,498
Creation of units				
- Class A	10(a)	314,599	-	314,599
Reinvestment of distribution				
- Class A	13(a)	81,632	-	81,632
- Class B	13(b)	31,844	-	31,844
Cancellation of units				
- Class A	10(a)	(9,008,185)	-	(9,008,185)
- Class B	10(b)	(723)	-	(723)
Balance at 31 July 2023		<u>6,301,772</u>	<u>2,699,795</u>	<u>9,001,567</u>

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

## AmDynamic Sukuk

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		6,947,600	15,754,017
Purchases of Shariah-compliant investments		(7,173,245)	(7,654,042)
Profit received		437,668	764,312
Other income		23,559	95,177
Manager's fee paid		(92,593)	(157,633)
Trustee's fee paid		(9,945)	(10,027)
Tax agent's fee paid		(4,100)	(4,100)
Tax paid		(15,918)	(5,382)
Payments for other expenses		(20,360)	(19,344)
Net cash generated from operating and investing activities		<u>92,666</u>	<u>8,762,978</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		2,487,998	304,599
Payments for cancellation of units		(2,420,215)	(9,607,054)
Net cash generated from/(used in) financing activities		<u>67,783</u>	<u>(9,302,455)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		160,449	(539,477)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		<u>806,834</u>	<u>1,346,311</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
		<u>967,283</u>	<u>806,834</u>
Cash and cash equivalents comprise:			
Shariah-compliant deposit with licensed financial institution	7	957,076	796,064
Cash at bank		10,207	10,770
		<u>967,283</u>	<u>806,834</u>

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

## AmDynamic Sukuk

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

#### 1. GENERAL INFORMATION

AmDynamic Sukuk (the “Fund”) was established pursuant to a Deed dated 20 May 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 provide capital appreciation by investing primarily in sukuk both locally and globally. As provided in the Deeds, the financial year shall end on 31 July and the units in the Fund for Class A and Class B were first offered for sale on 12 June 2012 and 16 July 2014 respectively.

The financial statements were authorised for issue by the Manager on 18 September 2024.

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

##### Standards effective during the financial year

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 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) Profit income

For all profit-bearing financial assets, profit income is calculated using the effective profit method. Effective profit 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 profit rate, but not future credit losses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

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

(i) Profit 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, profit income continues to be recognised using the rate of return used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Gain or loss on disposal of Shariah-compliant investments

On disposal of Shariah-compliant 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 Shariah-compliant 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 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 Shariah-compliant investments that are readily convertible to cash with insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

**3.5 Distribution**

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from realised income and recognised in the statement of comprehensive income, as the unit holders' contribution are classified as financial liability as per Note 3.6. Realised income is the income earned from profit income and net gain on disposal of Shariah-compliant 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.

**3.6 Unit holders' contribution**

The unit holders' contribution of the Fund is classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of unit holders is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liability.

The Fund issues cancellable units in two classes. Details are disclosed in Note 10.

**3.7 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

**3.7 Financial instruments – initial recognition and measurement (cont'd.)**

(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.

**3.8 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 (“SPPP 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 SPPP test determines whether the contractual cash flows are solely for payments of principal and profit 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 profit (“SPPP”). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic financing arrangement, i.e. profit includes only consideration for time value of money, credit risk, other basic financing risks and a profit margin that is consistent with a basic financing arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPP.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

**3.8 Financial assets (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 profit on the principal amount outstanding. Financial assets include in this category are Shariah-compliant 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 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 profit on the outstanding principal.

These Shariah-compliant investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these Shariah-compliant 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". Profit earned element of such instrument is recorded in "Profit income".

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 YEAR ENDED 31 JULY 2024**

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

**3.9 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 profit 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 profit rate.

**3.10 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 Shariah-compliant investments reclassified 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.

**3.11 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 YEAR ENDED 31 JULY 2024**

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

**3.12 Determination of fair value**

For Shariah-compliant 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 profit, which includes the accretion of discount and amortisation of premium. Adjusted cost of Shariah-compliant investments relates to the purchased cost plus accrued profit, 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.

**3.13 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.

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

## AmDynamic Sukuk

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

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

##### 3.14 Significant accounting estimates and judgments (cont'd.)

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

#### 4. SHARIAH-COMPLIANT INVESTMENTS

	2024 RM	2023 RM
<b>Financial assets at FVTPL</b>		
At nominal value:		
Corporate sukuk	<u>6,800,000</u>	<u>7,500,000</u>
At fair value:		
Corporate sukuk	<u>7,182,506</u>	<u>7,797,537</u>

Details of Shariah-compliant investments as at 31 July 2024 are as follows:

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Corporate sukuk</b>						
28.05.2027	Exsim Capital Resources Berhad	AA	600,000	613,011	607,345	6.38
27.09.2027	IJM Land Berhad	A	200,000	203,145	203,518	2.11
16.11.2027	Dialog Group Berhad	A	700,000	701,081	706,128	7.30
12.10.2028	Malayan Cement Sdn. Bhd.	AA	900,000	948,272	915,286	9.87

## AmDynamic Sukuk

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant investments as at 31 July 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Corporate sukuk (cont'd.)</b>						
12.12.2029	DRB-HICOM Berhad	A	300,000	309,737	302,096	3.22
02.12.2030	Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd.	AA	500,000	528,601	517,729	5.50
30.04.2031	OSK Rated Bond Sdn. Bhd.	AA	1,000,000	1,042,897	1,030,697	10.85
04.12.2031	Jimah East Power Sdn. Bhd.	AA	300,000	340,018	319,011	3.54
15.09.2033	OSK Rated Bond Sdn. Bhd.	AA	500,000	528,205	508,740	5.50
06.10.2034	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	750,000	817,391	768,680	8.51
06.10.2036	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	750,000	825,339	769,081	8.59
09.10.2037	Edra Solar Sdn. Bhd.	AA	300,000	324,809	304,607	3.38
<b>Total corporate sukuk</b>			<b>6,800,000</b>	<b>7,182,506</b>	<b>6,952,918</b>	<b>74.75</b>
<b>Total financial assets at FVTPL</b>			<b>6,800,000</b>	<b>7,182,506</b>	<b>6,952,918</b>	<b>74.75</b>
<b>Excess of fair value over adjusted cost</b>				<b>229,588</b>		

The weighted average effective yield on Shariah-compliant investments are as follows:

	Effective yield	
	2024 %	2023 %
Corporate sukuk	4.33	4.68

## AmDynamic Sukuk

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

#### 4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Analysis of the remaining maturity of Shariah-compliant investments as at 31 July 2024 and 31 July 2023 are as follows:

	1 year to 5 years RM	More than 5 years RM
<b>2024</b>		
At nominal value:		
Corporate sukuk	<u>2,400,000</u>	<u>4,400,000</u>
<b>2023</b>		
At nominal value:		
Corporate sukuk	<u>1,400,000</u>	<u>6,100,000</u>

#### 5. AMOUNT DUE FROM BROKER

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

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

	Note	2024 RM	2023 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>420</u>	<u>10,000</u>
<b>(b) Due to Manager</b>			
Manager's fee payable	(ii)	<u>9,141</u>	<u>8,529</u>

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

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

(ii) Manager's fee is at a rate of 1.00% (2023: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**7. SHARIAH-COMPLIANT DEPOSIT WITH LICENSED FINANCIAL INSTITUTION**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At nominal value:		
Short-term deposit	<u>957,000</u>	<u>796,000</u>
At carrying value:		
Short-term deposit	<u>957,076</u>	<u>796,064</u>

Details of Shariah-compliant deposit with licensed financial institution are as follows:

<b>Maturity date</b>	<b>Financial institution</b>	<b>Nominal value</b>	<b>Carrying value</b>	<b>Carrying value as a percentage of NAV</b>
		<b>RM</b>	<b>RM</b>	<b>%</b>
<b>2024</b>				
<b>Short-term deposit</b>				
01.08.2024	RHB Islamic Bank Berhad	<u>957,000</u>	<u>957,076</u>	<u>9.96</u>

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

	<b>Weighted average effective profit rate</b>		<b>Weighted average remaining maturities</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>	<b>Day</b>	<b>Day</b>
Short-term deposit	<u>2.90</u>	<u>2.95</u>	<u>1</u>	<u>1</u>

**8. AMOUNT DUE TO TRUSTEE**

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

## AmDynamic Sukuk

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

#### 9. NET GAINS FROM SHARIAH-COMPLIANT INVESTMENTS

	2024 RM	2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of Shariah-compliant investments	41,434	(82,048)
– Net realised loss on foreign currency exchange	(11,800)	-
– Net unrealised gains on changes in fair value of Shariah-compliant investments	241,580	439,765
	<u>271,214</u>	<u>357,717</u>

#### 10. NAV ATTRIBUTABLE TO UNIT HOLDERS

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' contribution			
– Class A	(a)	3,702,665	3,351,076
– Class B	(b)	2,657,310	2,950,696
Retained earnings			
– Realised income	(c)	3,019,320	2,711,787
– Unrealised gain/(loss)	(d)	229,588	(11,992)
		<u>9,608,883</u>	<u>9,001,567</u>

The Fund issues cancellable units in two classes as detailed below:

Classes of units	Currency denomination	Categories of investors	Distribution policy
Class A	RM	Mixed	Incidental
Class B	RM	Mixed	Incidental

The different charges and features of each class are as follows:

- (i) Minimum initial investments
- (ii) Entry charges

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**10. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)**

**(a) Unit holders' contribution/Units in circulation - Class A**

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	4,289,482	3,351,076	10,257,952	11,963,030
Creation during the financial year	1,570,096	2,372,608	217,569	314,599
Reinvestment of distribution	-	-	56,310	81,632
Cancellation during the financial year	(1,332,984)	(2,021,019)	(6,242,349)	(9,008,185)
At end of the financial year	<u>4,526,594</u>	<u>3,702,665</u>	<u>4,289,482</u>	<u>3,351,076</u>

**(b) Unit holders' contribution/Units in circulation - Class B**

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	1,976,332	2,950,696	1,954,119	2,919,575
Creation during the financial year	72,129	105,810	-	-
Reinvestment of distribution	-	-	22,736	31,844
Cancellation during the financial year	(275,365)	(399,196)	(523)	(723)
At end of the financial year	<u>1,773,096</u>	<u>2,657,310</u>	<u>1,976,332</u>	<u>2,950,696</u>

The Manager charges an exit penalty fee of 1.00% (2023: 1.00%) on the NAV per unit of the Fund during the financial year. The exit penalty will be recognised as income of the Fund.

**(c) Realised – distributable**

	2024 RM	2023 RM
At beginning of the financial year	2,711,787	2,360,054
Realised income for the financial year	307,533	465,209
Finance cost - distribution to unit holders	-	(113,476)
Net realised income for the financial year	307,533	351,733
At end of the financial year	<u>3,019,320</u>	<u>2,711,787</u>

**(d) Unrealised – non-distributable**

	2024 RM	2023 RM
At beginning of the financial year	(11,992)	(451,757)
Net unrealised gains for the financial year	241,580	439,765
At end of the financial year	<u>229,588</u>	<u>(11,992)</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 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 other related party as at 31 July 2024 and 31 July 2023.

**12. TAXATION**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Local tax	<u>3,243</u>	<u>17,644</u>

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

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>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>552,356</u>	<u>809,142</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	132,565	194,194
Tax effects of:		
Income not subject to tax	(167,175)	(264,101)
Losses not allowed for tax deduction	9,597	19,692
Restriction on tax deductible expenses for unit trust fund	21,212	33,822
Non-permitted expenses for tax purposes	7,044	34,037
Tax expense for the financial year	<u>3,243</u>	<u>17,644</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**13. DISTRIBUTION**

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

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

**(a) Class A**

	<b>2023 RM</b>
Gross distribution per unit (sen)	<u>1.98</u>
Net distribution per unit (sen)	<u>1.93</u>

**(b) Class B**

	<b>2023 RM</b>
Gross distribution per unit (sen)	<u>1.71</u>
Net distribution per unit (sen)	<u>1.63</u>

**For the financial year ended 31 July 2023**

**(a) Class A**

<b>Distribution Ex-date</b>	<b>Gross distribution per unit RM (sen)</b>	<b>Net distribution per unit RM (sen)</b>	<b>Total distribution RM</b>
24 July 2023	<u>1.98</u>	<u>1.93</u>	<u>81,632</u>

**(b) Class B**

<b>Distribution Ex-date</b>	<b>Gross distribution per unit RM (sen)</b>	<b>Net distribution per unit RM (sen)</b>	<b>Total distribution RM</b>
24 July 2023	<u>1.71</u>	<u>1.63</u>	<u>31,844</u>

	<b>2024 RM</b>	<b>2023 RM</b>
Total amount available for distribution	<u>3,019,320</u>	<u>2,711,787</u>

## AmDynamic Sukuk

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

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

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

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

The Fund's TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager's fee	1.00	1.00
Trustee's fee	0.11	0.07
Fund's other expenses	0.26	0.16
Total TER	<u>1.37</u>	<u>1.23</u>

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

#### 15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investments to the average NAV of the Fund calculated on a daily basis, is 0.82 times (2023: 0.80 times).

#### 16. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund's Shariah-compliant investments are made in the form of Shariah-compliant fixed income securities and Islamic money market instruments in Malaysia. The Manager is of the opinion that the risk and rewards from these Shariah-compliant investments are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business or geographical segments.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**17. TRANSACTIONS WITH BROKERS**

Details of transactions with brokers for the financial year ended 31 July 2024 are as follows:

	<b>Transaction value</b>	
	<b>RM</b>	<b>%</b>
CIMB Bank Berhad	5,206,169	33.91
Malayan Banking Berhad	2,738,167	17.83
United Overseas Bank (Malaysia) Bhd.	2,049,174	13.35
CIMB Islamic Bank Berhad	1,602,842	10.44
Citigroup Global Markets Inc.	961,201	6.26
HSBC Bank Malaysia Berhad	952,800	6.21
RHB Investment Bank Berhad	725,156	4.72
Hong Leong Bank Berhad	581,948	3.79
Bank Islam Malaysia Berhad	536,628	3.49
Total	<u>15,354,085</u>	<u>100.00</u>

The Manager is of the opinion that the above transactions are in respect of Shariah-compliant fixed income instruments. Transactions in these Shariah-compliant investments do not involve any commission or brokerage fee.

**18. FINANCIAL INSTRUMENTS**

**(a) Classification of financial instruments**

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Financial assets</b>				
Shariah-compliant investments	7,182,506	-	-	7,182,506
Amount due from broker	-	1,471,992	-	1,471,992
Amount due from Manager	-	420	-	420
Shariah-compliant deposit with licensed financial institution	-	957,076	-	957,076
Cash at bank	-	10,207	-	10,207
<b>Total financial assets</b>	<b>7,182,506</b>	<b>2,439,695</b>	<b>-</b>	<b>9,622,201</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	9,141	9,141
Amount due to Trustee	-	-	847	847
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>9,988</b>	<b>9,988</b>
<b>2023</b>				
<b>Financial assets</b>				
Shariah-compliant investments	7,797,537	-	-	7,797,537
Amount due from broker	-	412,635	-	412,635
Amount due from Manager	-	10,000	-	10,000
Shariah-compliant deposit with licensed financial institution	-	796,064	-	796,064
Cash at bank	-	10,770	-	10,770
<b>Total financial assets</b>	<b>7,797,537</b>	<b>1,229,469</b>	<b>-</b>	<b>9,027,006</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	8,529	8,529
Amount due to Trustee	-	-	792	792
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>9,321</b>	<b>9,321</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

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

	<b>Income, expenses, gains and losses</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net gains from financial assets at FVTPL	271,214	357,717
Income, of which derived from:		
– Profit income from financial assets at FVTPL	382,321	615,307
– Profit income from financial assets at amortised cost	31,002	45,347
	<u>31,002</u>	<u>45,347</u>

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

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

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2024</b>				
Financial assets at FVTPL	-	7,182,506	-	7,182,506
	<u>-</u>	<u>7,182,506</u>	<u>-</u>	<u>7,182,506</u>
<b>2023</b>				
Financial assets at FVTPL	-	7,797,537	-	7,797,537
	<u>-</u>	<u>7,797,537</u>	<u>-</u>	<u>7,797,537</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

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

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

- Amount due from broker
- Amount due from/to Manager
- Shariah-compliant deposit with licensed financial institution
- Cash at bank
- Amount due to Trustee

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

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

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

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of Shariah-compliant investments coupled with stringent compliance to Shariah-compliant investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds, Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Services 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) Rate of return risk**

Rate of return risk will affect the value of the Fund's Shariah-compliant investments, given the rate of return movements, which are influenced by regional and local economic developments as well as political developments.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

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

The Fund's market risk is affected primarily by the following risks: (cont'd.)

**(i) Rate of return risk (cont'd.)**

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

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2024 RM	2023 RM
+100 bps	(388,171)	(483,702)
-100 bps	427,044	562,886

**(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 can invest up to 100% of its NAV in Islamic money market instruments and Shariah-compliant fixed income instruments. As such the Fund would be exposed to the risk of sukuk issuers and licensed financial institutions defaulting on its repayment obligations which in turn would affect the NAV of the Fund.

**(i) Credit quality of financial assets**

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 July 2024 and 31 July 2023:

Credit rating	RM	As a % of debt securities	As a % of NAV
<b>2024</b>			
AA	5,968,543	83.10	62.12
A	1,213,963	16.90	12.63
	<u>7,182,506</u>	<u>100.00</u>	<u>74.75</u>
<b>2023</b>			
AAA	540,063	6.93	6.00
AA	5,550,416	71.18	61.67
A	1,707,058	21.89	18.95
	<u>7,797,537</u>	<u>100.00</u>	<u>86.62</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

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

**(i) Credit quality of financial assets (cont'd.)**

For Shariah-compliant deposit with licensed financial institution, the Fund only makes placements with licensed financial institution with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 31 July 2024 and 31 July 2023:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of deposits</b>	<b>As a % of NAV</b>
<b>2024</b>			
P1/MARC-1	957,076	100.00	9.96
<b>2023</b>			
P1/MARC-1	796,064	100.00	8.84

Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

**(ii) Credit risk concentration**

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 July 2024 and 31 July 2023:

<b>Sector</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2024</b>			
Consumer discretionary	309,737	4.31	3.22
Energy and utilities	3,008,638	41.89	31.32
Financial services	613,011	8.54	6.38
Industrials	948,272	13.20	9.87
Real Estate	1,774,247	24.70	18.46
Transportation and storage	528,601	7.36	5.50
	<u>7,182,506</u>	<u>100.00</u>	<u>74.75</u>
<b>2023</b>			
Consumer discretionary	298,076	3.82	3.31
Energy and utilities	4,750,721	60.93	52.78
Real estate	2,224,825	28.53	24.71
Transportation and storage	523,915	6.72	5.82
	<u>7,797,537</u>	<u>100.00</u>	<u>86.62</u>

AmDynamic Sukuk

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at bank, Shariah-compliant 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 following table presents the undiscounted contractual cash flows from different financial asset and financial liabilities classes in the Fund:

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2024</b>						
<b>Financial assets</b>						
Shariah-compliant investments	340,712	341,275	957,309	1,188,807	1,146,459	5,340,157
Amount due from broker	1,471,992	-	-	-	-	-
Amount due from Manager	420	-	-	-	-	-
Shariah-compliant deposit with licensed financial institution	957,076	-	-	-	-	-
Cash at bank	10,207	-	-	-	-	-
<b>Total financial assets</b>	<b>2,780,407</b>	<b>341,275</b>	<b>957,309</b>	<b>1,188,807</b>	<b>1,146,459</b>	<b>5,340,157</b>

AmDynamic Sukuk

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund: (cont'd.)

	Contractual cash flows (undiscounted)					
	0 – 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
<b>2024 (cont'd.)</b>						
<b>Financial liabilities</b>						
Amount due to Manager	9,141	-	-	-	-	-
Amount due to Trustee	847	-	-	-	-	-
<b>Total financial liabilities</b>	<b>9,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023</b>						
<b>Financial assets</b>						
Shariah-compliant investments	382,288	381,884	882,501	353,531	1,235,422	7,713,191
Amount due from broker	412,635	-	-	-	-	-
Amount due from Manager	10,000	-	-	-	-	-
Shariah-compliant deposit with licensed financial institution	796,064	-	-	-	-	-
Cash at bank	10,770	-	-	-	-	-
<b>Total financial assets</b>	<b>1,611,757</b>	<b>381,884</b>	<b>882,501</b>	<b>353,531</b>	<b>1,235,422</b>	<b>7,713,191</b>
<b>Financial liabilities</b>						
Amount due to Manager	8,529	-	-	-	-	-
Amount due to Trustee	792	-	-	-	-	-
<b>Total financial liabilities</b>	<b>9,321</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

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

**(d) Single issuer risk**

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

**(e) Regulatory risk**

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

**(f) Management risk**

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

**(g) 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.

**(h) Shariah non-compliance risk**

This is the risk of the Fund not conforming to Shariah Investment Guidelines. The Shariah Adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

**20. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (b) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- (c) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

## **AmDynamic Sukuk**

### **STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmDynamic Sukuk (the “Fund”) as at 31 July 2024 and of the comprehensive income, the changes in net assets attributable to unit holders and cash flows for the financial year then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

18 September 2024

## **TRUSTEE'S REPORT**

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

We have acted as Trustee of the Fund for the financial year ended 31 July 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 year covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
18 September 2024

## SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND

To the unit holders of AmDynamic Sukuk ("Fund"),

We hereby confirm the following:

1. 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 Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters: and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

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Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 18 September 2024

## DIRECTORY

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Tel: (03) 2032 2888 Facsimile: (03) 2031 5210  
Email: enquiries@aminvest.com

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.)*



