

Quarterly Report for

AmIncome Institutional 5

30 June 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of AmlIncome Institutional 5 ("Fund") for the financial period from 1 April 2024 to 30 June 2024.

Salient Information of the Fund

Name	AmlIncome Institutional* 5 ("Fund") <i>*Institutional refers to the potential Sophisticated Investors of the Fund and not to the nature of the investables.</i>				
Category/ Type	Wholesale Fixed Income / Income and to a lesser extent growth				
Objective	The Fund aims to provide regular income* by investing in fixed income instruments. <i>Note: *The income could be in the form of unit or cash. Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>				
Duration	The Fund was established on 23 July 2013 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.				
Performance Benchmark	AmBank Overnight Repurchase Rate ("AMBB") (Available at www.aminvest.com) <i>Note: The risk profile of the Fund is higher than the risk profile of the performance benchmark. The performance benchmark is only a measurement of the Fund's performance and there is no guarantee that the Fund will achieve the performance benchmark in any particular year.</i>				
Income Distribution Policy	Income (if any) will be declared monthly. <i>Note: The income could be in the form of units or cash. Should there be realized income or gains, there may be income distribution declared.</i>				
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 748,713,844 units.				
	Size of holding	As at 30 June 2024		As at 31 March 2024	
		No of units held	Number of unitholders	No of units held	Number of unitholders
	5,000 and below	-	-	-	-
	5,001-10,000	-	-	-	-
	10,001-50,000	-	-	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	748,713,844	4	504,616,956	3

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 June 2024 and for the past three financial years are as follows:				
		As at 30.06.2024 %	As at 31 March		
			2024 %	2023 %	2022 %
	Corporate bonds	79.91	86.85	97.02	92.65
	Government Investment Issues	3.30	-	-	-
	Malaysian Government Securities	0.65	0.96	1.09	1.18
	Money market deposits & cash equivalents	16.14	12.19	1.89	6.17
	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 periods ended 30 June 2024 and three financial years ended 31 March are as follows:				
		FPE 30.06.2024	FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)	786,389,324	528,596,978	453,236,807	425,949,036
	Units in circulation	748,713,844	504,616,956	449,523,002	427,698,006
	Net asset value per unit (RM)	1.0503	1.0475	1.0083	0.9959
	Highest net asset value per unit (RM)	1.0531	1.0531	1.0119	1.0289
	Lowest net asset value per unit (RM)	1.0452	1.0085	0.9673	0.9949
	Benchmark performance (%)	0.71	2.80	2.31	1.66
	Total return (%) ⁽¹⁾	0.95	8.06	4.70	2.57
	- Capital growth (%)	0.27	4.00	1.36	-1.46
	- Income distributions (%)	0.68	4.06	3.34	4.03
	Gross distributions (sen per unit)	0.71	4.09	3.33	4.07
	Net distributions (sen per unit)	0.71	4.09	3.33	4.07
	Total expense ratio (%) ⁽²⁾	0.02	0.10	0.10	0.10
	Portfolio turnover ratio (times) ⁽³⁾	0.26	0.56	0.57	0.13
	<i>Note:</i>				
	<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</i>				
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.</i>				
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.</i>				

Average Total Return (as at 30 June 2024)

	AmlIncome Institutional 5^(a) %	AMBB^(b) %
One year	6.57	2.84
Three years	4.65	2.35
Five years	4.67	2.29
Ten years	5.37	2.68

Annual Total Return

Financial Years Ended (31 March)	AmlIncome Institutional 5^(a) %	AMBB^(b) %
2024	8.06	2.80
2023	4.70	2.31
2022	2.57	1.66
2021	4.01	1.80
2020	6.74	2.92

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

(b) AmBank Overnight Repurchase Rate ("AMBB") (Available at www.aminvest.com)

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

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

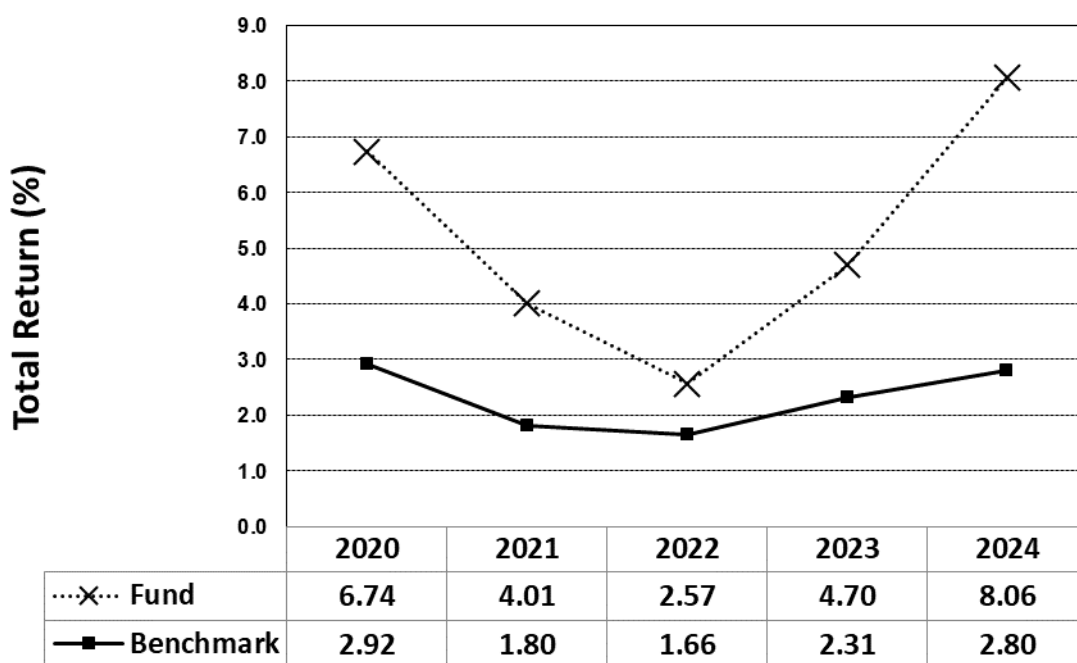
Fund Performance

For the financial period under review, the Fund registered a return of 0.95% comprising of 0.27% capital growth and 0.68% income distributions.

Thus, the Fund's return of 0.95% has outperformed the benchmark's return of 0.71% by 0.24%.

As compared with the financial year ended 31 March 2024, the net asset value ("NAV") per unit of the Fund increased by 0.27% from RM1.0475 to RM1.0503, while units in circulation increased by 48.37% from 504,616,956 units to 748,713,844 units.

The following line chart shows comparison between the annual performances of AmlIncome Institutional 5 and its benchmark, AMBB, for the financial years ended 31 March.



Financial Years Ended (31 March)

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 40%-100% of its net asset value (NAV) in fixed income securities and up to 60% of its NAV in money market instruments.

Portfolio Structure

The table below is the asset allocation of the Fund as at 30 June 2024 and 31 March 2024.

	As at 30.06.2024 %	As at 31.03.2024 %	Changes %
Corporate bonds	79.91	86.85	-6.94
Government Investment Issues	3.30	-	3.30
Malaysian Government Securities	0.65	0.96	-0.31
Money market deposits & cash equivalents	16.14	12.19	3.95
Total	100.00	100.00	

For the financial period under review, the Fund invested 79.91% of its NAV in corporate bonds, 3.30% in Government Investment Issues, 0.65% in Malaysian Government Securities (MGS) while the remaining 16.14% was in money market deposits and cash equivalents.

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 distributions, detailed as follows:</p> <table border="1" data-bbox="347 253 1458 461"> <thead> <tr> <th data-bbox="347 253 579 353">Date of distributions</th> <th data-bbox="579 253 882 353">Distributions per unit RM (sen)</th> <th data-bbox="882 253 1185 353">NAV per unit Cum-Distributions (RM)</th> <th data-bbox="1185 253 1458 353">NAV per unit Ex-Distributions (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="347 353 579 387">29-Apr-24</td> <td data-bbox="579 353 882 387">0.03</td> <td data-bbox="882 353 1185 387">1.0457</td> <td data-bbox="1185 353 1458 387">1.0454</td> </tr> <tr> <td data-bbox="347 387 579 421">30-May-24</td> <td data-bbox="579 387 882 421">0.35</td> <td data-bbox="882 387 1185 421">1.0522</td> <td data-bbox="1185 387 1458 421">1.0487</td> </tr> <tr> <td data-bbox="347 421 579 461">27-Jun-24</td> <td data-bbox="579 421 882 461">0.33</td> <td data-bbox="882 421 1185 461">1.0533</td> <td data-bbox="1185 421 1458 461">1.0500</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)	29-Apr-24	0.03	1.0457	1.0454	30-May-24	0.35	1.0522	1.0487	27-Jun-24	0.33	1.0533	1.0500
Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)														
29-Apr-24	0.03	1.0457	1.0454														
30-May-24	0.35	1.0522	1.0487														
27-Jun-24	0.33	1.0533	1.0500														
State of Affairs	<p>There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.</p>																
Rebates and Soft Commission	<p>During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>																
Market Review	<p>In April, Malaysian bond market weaken following a sell-off in United States Treasury (UST) as sticky inflation and a resilient labor market have given more reasons for the United States (US) Federal Reserve (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. Premised on all the developments above, MGS curve was repriced higher by 6 to 16 basis points (bps) on a month-on-month (MoM) basis.</p> <p>Moving towards May, 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. While Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% during policy meeting with a neutral monetary stance, positive sentiment in local bond market was reflected in the three sovereign bond auctions which garnered strong demand and recorded bid-to-cover (BTC) ratio between 1.965x to 3.085x. As investors were adjusting their view that the US Fed is not in a rush to cut rates, local bonds weakened slightly towards end of the month, reflecting the trend in the UST market. Overall, the MGS curve bull-flattened in May with yields declined by 2-12bps on a MoM basis.</p> <p>In the last month of the second quarter, Malaysian bond market further strengthened driven by similar movement in the UST as the US economic data showed some signs of moderating inflation. Both US headline and core Personal Consumption Expenditure (PCE) cooled to 2.6% on a year-on-year (YoY) basis, the lowest level in more than three years. The MGS curve experienced a bull steepening in June, with yields declining by 1 to 6 basis points on a MoM basis, led by the 3-year and 7-year.</p>																
Market Outlook	<p>Strong demand in long-end government bond auctions and corporate bond primary issuances suggest that domestic liquidity remains ample. Market participants continue to ignore the record low credit spreads, with continued strong demand in bonds yielding 4% and above. As domestic liquidity is expected to remain healthy and BNM is likely to stay pat on OPR, we expect the local bond market to continue to trade in range bound. Current cheap funding cost should attract bond issuers to tap the market in coming months that will provide more investment opportunities.</p> <p>We maintain overweight on portfolio duration versus the benchmark, while prefer corporate bonds for more yield pick-up.</p>																

Kuala Lumpur, Malaysia
AmFunds Management Berhad

20 August 2024

AmlIncome Institutional 5

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	30.06.2024 (unaudited) RM	31.03.2024 (audited) RM
ASSETS		
Investments	659,504,564	464,180,650
Deposits with licensed financial institutions	153,174,647	64,455,395
Cash at bank	10,368	11,182
TOTAL ASSETS	<u>812,689,579</u>	<u>528,647,227</u>
LIABILITIES		
Amount due to brokers	25,761,440	-
Amount due to Manager	39,412	28,541
Amount due to Trustee	18,501	13,408
Distribution payable	470,532	-
Sundry payables and accruals	10,370	8,300
TOTAL LIABILITIES	<u>26,300,255</u>	<u>50,249</u>
NET ASSET VALUE (“NAV”) OF THE FUND	<u>786,389,324</u>	<u>528,596,978</u>
EQUITY		
Unit holders’ capital	761,195,639	505,553,225
Retained earnings	25,193,685	23,043,753
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>786,389,324</u>	<u>528,596,978</u>
UNITS IN CIRCULATION	<u>748,713,844</u>	<u>504,616,956</u>
NAV PER UNIT (RM)	<u>1.0503</u>	<u>1.0475</u>

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STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	Note	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
INVESTMENT INCOME			
Interest income		7,318,598	5,318,389
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	1	<u>105,075</u>	<u>5,740,412</u>
		<u>7,423,673</u>	<u>11,058,801</u>
EXPENDITURE			
Manager’s fee		(104,936)	(70,637)
Trustee’s fee		(52,468)	(47,091)
Audit fee		(1,247)	(1,243)
Tax agent’s fee		(823)	(821)
Other expenses		<u>(1,321)</u>	<u>(1,799)</u>
		<u>(160,795)</u>	<u>(121,591)</u>
Net income before taxation		7,262,878	10,937,210
Taxation		<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial period		<u>7,262,878</u>	<u>10,937,210</u>
Total comprehensive income comprises the following:			
Realised income		7,347,234	6,742,144
Unrealised (loss)/gain		<u>(84,356)</u>	<u>4,195,066</u>
		<u>7,262,878</u>	<u>10,937,210</u>
Distributions for the financial period			
Net distributions	2	<u>5,112,946</u>	<u>2,067,806</u>
Gross distributions per unit (sen)	2	<u>0.71</u>	<u>0.46</u>
Net distributions per unit (sen)	2	<u>0.71</u>	<u>0.46</u>

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

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STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 April 2024		505,553,225	23,043,753	528,596,978
Total comprehensive income for the financial period		-	7,262,878	7,262,878
Creation of units		351,000,000	-	351,000,000
Reinvestment of distributions		4,642,414	-	4,642,414
Cancellation of units		(100,000,000)	-	(100,000,000)
Distributions	2	-	(5,112,946)	(5,112,946)
Balance at 30 June 2024		<u>761,195,639</u>	<u>25,193,685</u>	<u>786,389,324</u>
At 1 April 2023		448,909,447	4,327,360	453,236,807
Total comprehensive income for the financial period		-	10,937,210	10,937,210
Creation of units		30,000,000	-	30,000,000
Reinvestment of distribution		2,067,806	-	2,067,806
Distribution	2	-	(2,067,806)	(2,067,806)
Balance at 30 June 2023		<u>480,977,253</u>	<u>13,196,764</u>	<u>494,174,017</u>

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

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STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceed from sale of investment	82,705,500	72,554,090
Purchases of investment	(251,938,610)	(79,710,250)
Interest received	7,094,309	5,342,919
Manager's fee paid	(94,065)	(70,712)
Trustee's fee paid	(47,375)	(46,244)
Payments for other expenses	(1,321)	(4,007)
Net cash used in operating and investing activities	<u>(162,281,562)</u>	<u>(1,934,204)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	351,000,000	30,000,000
Payments for cancellation of units	<u>(100,000,000)</u>	-
Net cash generated from financing activities	<u>251,000,000</u>	<u>30,000,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	88,718,438	28,065,796
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	<u>64,466,577</u>	<u>8,625,779</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>153,185,015</u>	<u>36,691,575</u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	153,174,647	36,681,312
Cash at bank	10,368	10,263
	<u>153,185,015</u>	<u>36,691,575</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

1. NET GAINS FROM INVESTMENTS

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	189,431	1,545,346
– Net unrealised (loss)/gain on changes in fair value of investments	(84,356)	4,195,066
	<u>105,075</u>	<u>5,740,412</u>

2. DISTRIBUTIONS

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

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
Gross distributions per unit (sen)	<u>0.71</u>	<u>0.46</u>
Net distributions per unit (sen)	<u>0.71</u>	<u>0.46</u>

Financial period ended 30 June 2024

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
29 April 2024	0.03	0.03	209,033
30 May 2024	0.35	0.35	2,439,424
27 June 2024	0.33	0.33	2,464,489
	<u>0.71</u>	<u>0.71</u>	<u>5,112,946</u>

Financial period ended 30 June 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
27 April 2023	<u>0.46</u>	<u>0.46</u>	<u>2,067,806</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024**

2. DISTRIBUTIONS (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.

The distributions declared for the financial period ended 30 June 2024 were proposed before taking into account the net unrealised loss of RM84,356 arising during the financial period which is carried forward to the next financial period.

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*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.)*

