

Quarterly Report for

AmIncome Institutional 5

30 September 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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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 July 2024 to 30 September 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 756,513,823 units.				
	Size of holding	As at 30 September 2024		As at 30 June 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	756,513,823	4	748,713,844	4

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 September 2024, 30 June 2024 and for the past three financial years are as follows:				
	As at 30.09.2024 %	As at 30.06.2024 %	As at 31 March		
			2024 %	2023 %	2022 %
Corporate bonds	93.06	79.91	86.85	97.02	92.65
Government Investment Issues	3.24	3.30	-	-	-
Malaysian Government Securities	1.31	0.65	0.96	1.09	1.18
Money market deposits and cash equivalents	2.39	16.14	12.19	1.89	6.17
Total	100.00	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 September 2024, 30 June 2024 and three financial years ended 31 March are as follows:				
	FPE 30.09.2024	FPE 30.06.2024	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM'000)	800,500	786,389	528,597	453,237	425,949
Units in circulation ('000)	756,514	748,714	504,617	449,523	427,698
Net asset value per unit (RM)	1.0581	1.0503	1.0475	1.0083	0.9959
Highest net asset value per unit (RM)	1.0614	1.0531	1.0531	1.0119	1.0289
Lowest net asset value per unit (RM)	1.0504	1.0452	1.0085	0.9673	0.9949
Benchmark performance (%)	0.73	0.71	2.80	2.31	1.66
Total return (%) ⁽¹⁾	1.62	0.95	8.06	4.70	2.57
- Capital growth (%)	0.76	0.27	4.00	1.36	-1.46
- Income distributions (%)	0.86	0.68	4.06	3.34	4.03
Gross distributions (sen per unit)	0.90	0.71	4.09	3.33	4.07
Net distributions (sen per unit)	0.90	0.71	4.09	3.33	4.07
Total expense ratio (%) ⁽²⁾	0.02	0.02	0.10	0.10	0.10
Portfolio turnover ratio (times) ⁽³⁾	0.11	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 periods/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 September 2024)

	AmlIncome Institutional 5^(a) %	AMBB^(b) %
One year	6.82	2.88
Three years	5.04	2.46
Five years	4.37	2.28
Ten years	5.35	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.

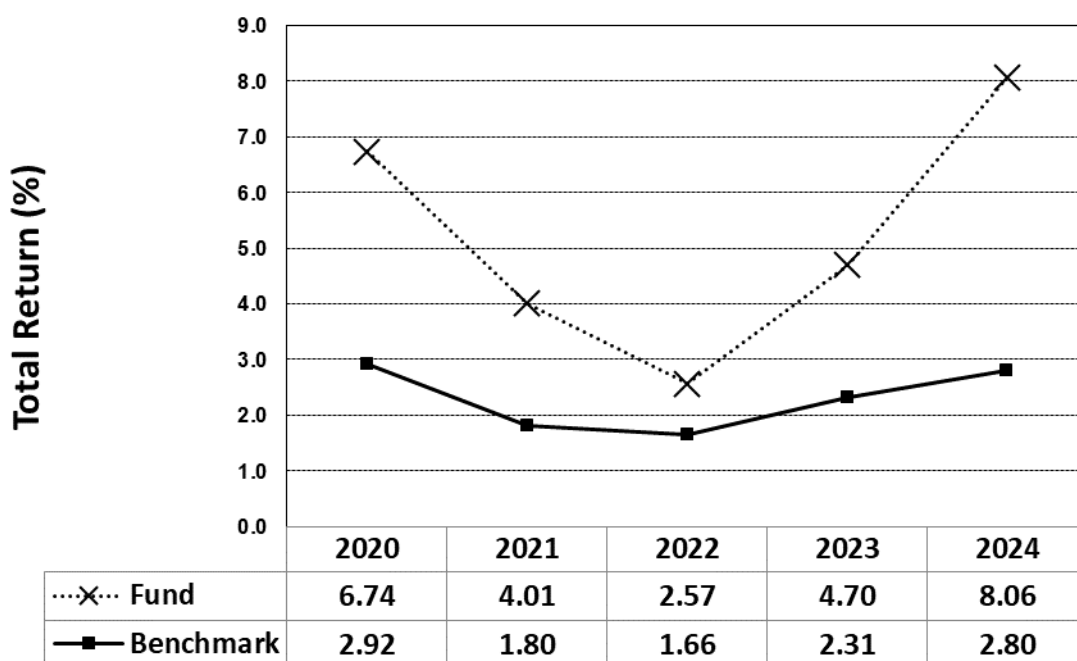
Fund Performance

For the financial period under review, the Fund registered a return of 1.62% comprising of 0.76% capital growth and 0.86% income distributions.

Thus, the Fund's return of 1.62% has outperformed the benchmark's return of 0.73% by 0.89%.

As compared with the financial period ended 30 June 2024, the net asset value ("NAV") per unit of the Fund increased by 0.74% from RM1.0503 to RM1.0581, while units in circulation increased by 1.04% from 748,713,844 units to 756,513,823 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 September 2024 and 30 June 2024.

	As at 30.09.2024 %	As at 30.06.2024 %	Changes %
Corporate bonds	93.06	79.91	13.15
Government Investment Issues	3.24	3.30	-0.06
Malaysian Government Securities	1.31	0.65	0.66
Money market deposits and cash equivalents	2.39	16.14	-13.75
Total	100.00	100.00	

For the financial period under review, the Fund invested 93.06% of its NAV in corporate bonds, 3.24% in Government Investment Issues, 1.31% in Malaysian Government Securities while the remaining 2.39% was in money market deposits and cash equivalents.

Cross Trades

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="347 219 1458 427"> <thead> <tr> <th data-bbox="347 219 579 320">Date of distributions</th> <th data-bbox="579 219 882 320">Distributions per unit RM (sen)</th> <th data-bbox="882 219 1185 320">NAV per unit Cum-Distributions (RM)</th> <th data-bbox="1185 219 1458 320">NAV per unit Ex-Distributions (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="347 320 579 353">30-Jul-24</td> <td data-bbox="579 320 882 353">0.27</td> <td data-bbox="882 320 1185 353">1.0570</td> <td data-bbox="1185 320 1458 353">1.0543</td> </tr> <tr> <td data-bbox="347 353 579 387">29-Aug-24</td> <td data-bbox="579 353 882 387">0.26</td> <td data-bbox="882 353 1185 387">1.0595</td> <td data-bbox="1185 353 1458 387">1.0569</td> </tr> <tr> <td data-bbox="347 387 579 421">27-Sep-24</td> <td data-bbox="579 387 882 421">0.37</td> <td data-bbox="882 387 1185 421">1.0615</td> <td data-bbox="1185 387 1458 421">1.0578</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)	30-Jul-24	0.27	1.0570	1.0543	29-Aug-24	0.26	1.0595	1.0569	27-Sep-24	0.37	1.0615	1.0578
Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)														
30-Jul-24	0.27	1.0570	1.0543														
29-Aug-24	0.26	1.0595	1.0569														
27-Sep-24	0.37	1.0615	1.0578														
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 July, Malaysian bond market strengthened as sentiment were lifted by bullish movement in United States Treasuries (UST) on continued disinflation and signs of a tight labour market. Strong foreign inflows over the month also send Ringgit bond yield tumbled with net foreign buying accelerated to MYR7.8b in July, the highest in 12 months. Overall, Malaysian Government Securities (MGS) bull steepened with yields declined by 5-15 basis points (bps) on a month-on-month (MoM) basis.</p> <p>Moving towards August, Malaysian bond market weakened slightly over the month despite UST continued to rally amid heighten expectation of imminent rate cut by United States (US) Federal Reserve (Fed) at its upcoming meeting in September. Much of the movement in the local bond market was driven by profit taking activities towards the end of the month given rich valuation of government bond coupled with absence of local catalyst. Overall, MGS curve edged higher with yield across the curve rose 2-4bps on a MoM basis, except for the 3-year and 5 year with yield barely unchanged.</p> <p>In final month of third quarter, MGS yield fell across the curve in tandem rally seen in UST after US Fed announced a 50bps cut (first reduction since March 2020) to its benchmark interest rate. Meanwhile Bank Negara Malaysia (BNM) in September, maintained the Overnight Policy Rate (OPR) at 3.00% as widely expected considering the current OPR level “remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects”. Overall, MGS curve bull-flattened with yield fell 2-6bps on a MoM basis on the long to ultra long-end of the curve.</p>																

Market Outlook	<p>With the United States (US) Federal Reserve (Fed) initiating a rate-cutting cycle, we anticipate increased foreign inflows into the domestic bond market, driven by expectations of currency appreciation. Bond yields are likely to remain well-supported, with any corrections expected to be short-lived due to strong demand and liquidity.</p> <p>Despite the domestic bond market rallying since the start of the year, we maintain a positive outlook as we enter into the 4th quarter of 2024. Strong market liquidity and sustained demand for bonds, coupled with an extended pause in the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM), support this bullish sentiment.</p> <p>We maintain an overweight position on portfolio duration relative to the benchmark. In terms of security selection, we will overweight corporate bonds over government bonds for additional yield.</p>
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Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 November 2024

AmlIncome Institutional 5

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	30.09.2024 (unaudited) RM	31.03.2024 (audited) RM
ASSETS		
Investments	781,357,017	464,180,650
Deposits with licensed financial institutions	19,730,703	64,455,395
Cash at bank	10,418	11,182
TOTAL ASSETS	<u>801,098,138</u>	<u>528,647,227</u>
LIABILITIES		
Amount due to Manager	43,335	28,541
Amount due to Trustee	19,708	13,408
Distribution payable	527,567	-
Sundry payables and accruals	7,461	8,300
TOTAL LIABILITIES	<u>598,071</u>	<u>50,249</u>
NET ASSET VALUE (“NAV”) OF THE FUND	<u>800,500,067</u>	<u>528,596,978</u>
EQUITY		
Unit holders’ capital	769,438,371	505,553,225
Retained earnings	31,061,696	23,043,753
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>800,500,067</u>	<u>528,596,978</u>
UNITS IN CIRCULATION	<u>756,513,823</u>	<u>504,616,956</u>
NAV PER UNIT (RM)	<u>1.0581</u>	<u>1.0475</u>

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

	01.07.2024 to 30.09.2024	01.07.2023 to 30.09.2023
Note	RM	RM
INVESTMENT INCOME		
Interest income	8,626,821	5,604,234
Net gains from investments:		
– Financial assets at fair value through profit or loss (“FVTPL”)	1 <u>4,188,612</u>	<u>1,413,409</u>
	<u>12,815,433</u>	<u>7,017,643</u>
EXPENDITURE		
Manager’s fee	(120,066)	(75,182)
Trustee’s fee	(60,033)	(45,740)
Audit fee	(1,260)	(1,257)
Tax agent’s fee	(832)	(830)
Other expenses	(1,828)	(997)
	<u>(184,019)</u>	<u>(124,006)</u>
Net income before taxation	12,631,414	6,893,637
Taxation	-	-
Net income after taxation, representing total comprehensive income for the financial period	<u>12,631,414</u>	<u>6,893,637</u>
Total comprehensive income comprises the following:		
Realised income	9,753,711	6,795,736
Unrealised gains	2,877,703	97,901
	<u>12,631,414</u>	<u>6,893,637</u>
Distributions for the financial period		
Net distributions	2 <u>6,763,403</u>	<u>5,647,312</u>
Gross distributions per unit (sen)	2 <u>0.90</u>	<u>1.17</u>
Net distributions per unit (sen)	2 <u>0.90</u>	<u>1.17</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 JULY 2024 TO 30 SEPTEMBER 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 July 2024		761,195,639	25,193,685	786,389,324
Total comprehensive income for the financial period		-	12,631,414	12,631,414
Creation of units		2,762,600	-	2,762,600
Reinvestment of distributions		5,480,132	-	5,480,132
Distributions	2	-	(6,763,403)	(6,763,403)
Balance at 30 September 2024		<u>769,438,371</u>	<u>31,061,696</u>	<u>800,500,067</u>
At 1 July 2023		480,977,253	13,196,764	494,174,017
Total comprehensive income for the financial period		-	6,893,637	6,893,637
Reinvestment of distributions		5,647,312	-	5,647,312
Distributions	2	-	(5,647,312)	(5,647,312)
Balance at 30 September 2023		<u>486,624,565</u>	<u>14,443,089</u>	<u>501,067,654</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 JULY 2024 TO 30 SEPTEMBER 2024

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	26,556,000	67,438,410
Purchases of investment	(167,942,240)	(84,182,150)
Interest received	6,587,780	5,632,566
Manager's fee paid	(116,143)	(73,955)
Trustee's fee paid	(58,826)	(49,594)
Payments for other expenses	(6,829)	(3,789)
Net cash used in operating and investing activities	<u>(134,980,258)</u>	<u>(11,238,512)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	2,762,600	-
Distributions paid	<u>(1,226,236)</u>	-
Net cash generated from financing activities	<u>1,536,364</u>	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(133,443,894)	(11,238,512)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>153,185,015</u>	<u>36,691,575</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>19,741,121</u>	<u>25,453,063</u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	19,730,703	25,442,182
Cash at bank	<u>10,418</u>	<u>10,881</u>
	<u>19,741,121</u>	<u>25,453,063</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

1. NET GAINS FROM INVESTMENTS

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	1,310,909	1,315,508
– Net unrealised gains on changes in fair value of investments	2,877,703	97,901
	<u>4,188,612</u>	<u>1,413,409</u>

2. DISTRIBUTIONS

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

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
Gross distributions per unit (sen)	<u>0.90</u>	<u>1.17</u>
Net distributions per unit (sen)	<u>0.90</u>	<u>1.17</u>

Financial period ended 30 September 2024

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
30 July 2024	0.27	0.27	2,021,527
29 August 2024	0.26	0.26	1,950,692
27 September 2024	0.37	0.37	2,791,184
	<u>0.90</u>	<u>0.90</u>	<u>6,763,403</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

2. DISTRIBUTIONS (CONT'D.)

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

Financial period ended 30 September 2023

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
28 July 2023	0.29	0.29	1,394,826
29 August 2023	0.59	0.59	2,845,730
27 September 2023	0.29	0.29	1,406,756
	<u>1.17</u>	<u>1.17</u>	<u>5,647,312</u>

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.

All distributions during the current financial period were sourced from realised income. There were no distributions out of capital.

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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.)*

