

Annual Report for

AmIncome Plus

31 October 2023



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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

Board of Directors

Jeyaratnam A/L Tamotharam Pillai
Ng Chih Kaye
Jas Bir Kaur A/P Lol Singh
Arnold Lim Boon Lay
Goh Wee Peng

Investment Committee

Arnold Lim Boon Lay
Tracy Chen Wee Keng
Goh Wee Peng

Trustee

AmanahRaya Trustees Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unit holders,

We are pleased to present you the Manager's report and the audited accounts of AmlIncome Plus ("Fund") for the financial year ended 31 October 2023.

Salient Information of the Fund

Name	AmlIncome Plus ("Fund")
Category/ Type	Fixed Income / Income
Objective	The Fund is a short to medium-term fixed income fund which aims to provide you with enhanced returns. <i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>
Duration	The Fund was established on 26 November 2001 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	Malayan Banking Berhad 1-Month Fixed Deposit Rate. ("MBB") (Available at www.aminvest.com / www.maybank2u.com.my) <i>Note: The benchmark does not imply that the risk profile of the Fund is the same as the risk profile of the benchmark. Investors of the Fund will assume a higher risk compared to the benchmark. Hence, the returns of the Fund may be potentially higher due to the higher risk faced by the investors.</i>
Income Distribution Policy	Income distribution (if any) is paid at least twice every year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 October are as follows:			
		As at 31 October		
		2023 %	2022 %	2021 %
	Corporate bonds	81.55	82.06	91.11
	Malaysian Government Securities	6.47	3.26	-
	Money market deposits and cash equivalents	11.98	14.68	8.89
Total	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 years ended 31 October are as follows:

	FYE 2023	FYE 2022	FYE 2021
Net asset value (RM)*	462,630,501	462,738,200	668,849,114
Units in circulation*	713,088,343	731,103,051	1,044,051,686
Net asset value per unit (RM)*	0.6488	0.6329	0.6406
Highest net asset value per unit (RM)*	0.6544	0.6479	0.6742
Lowest net asset value per unit (RM)*	0.6321	0.6235	0.6402
Benchmark performance (%)	2.53	1.73	1.50
Total return (%) ⁽¹⁾	4.59	1.56	0.93
- Capital growth (%)	2.54	-1.17	-4.30
- Income distributions (%)	2.05	2.73	5.23
Gross distributions (sen per unit)	1.30	1.75	3.50
Net distributions (sen per unit)	1.30	1.75	3.50
Total expense ratio (%) ⁽²⁾	0.82	0.82	0.82
Portfolio turnover ratio (times) ⁽³⁾	0.82	0.51	0.77

* Above prices and net asset value per unit are shown as ex-distribution.

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.
- (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 2023 and decrease in 2022 were due mainly to investing activities.

Average Total Return (as at 31 October 2023)

	AmlIncome Plus^(a) %	MBB^(b) %
One year	4.59	2.53
Three years	2.35	1.92
Five years	3.32	2.18
Ten years	3.40	2.62

Annual Total Return

Financial Years Ended (31 October)	AmlIncome Plus^(a) %	MBB^(b) %
2023	4.59	2.53
2022	1.56	1.73
2021	0.93	1.50
2020	4.55	2.14
2019	5.03	3.02

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

(b) Malayan Banking Berhad 1-Month Fixed Deposit Rate ("MBB")
(Available at www.aminvest.com / www.maybank2u.com.my)

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.

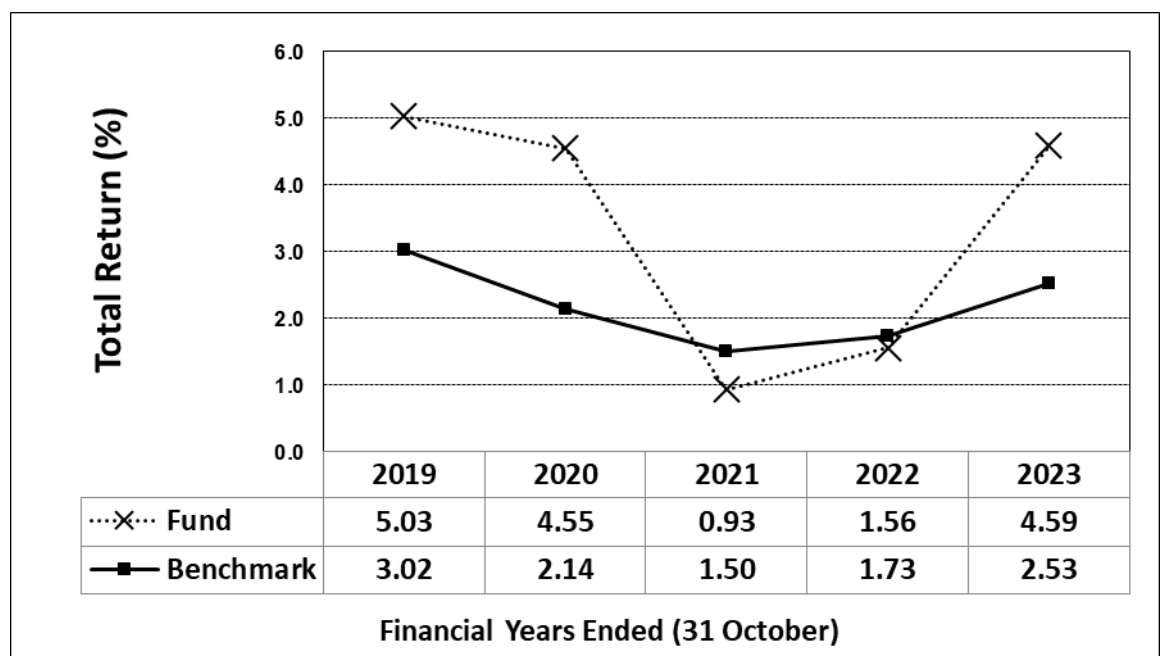
Fund Performance

For the financial year under review, the Fund registered a return of 4.59% comprising of 2.54% capital growth and 2.05% income distributions.

Thus, the Fund’s return of 4.59% has outperformed the benchmark’s return of 2.53% by 2.06%.

As compared with the financial year ended 31 October 2022, the net asset value (“NAV”) per unit of the Fund increased by 2.51% from RM0.6329 to RM0.6488, while units in circulation decreased by 2.46% from 731,103,051 units to 713,088,343 units.

The following line chart shows comparison between the annual performances of AmlIncome Plus and its benchmark, MBB, for the financial years ended 31 October.



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

The Fund seeks to achieve its objective by investing primarily in short to medium-term fixed income instruments with the following minimum credit rating of:

- Short-term credit rating of P2 by RAM; or
- Long-term credit rating of A3 by RAM; or
- its equivalent as rated by a local or global rating agency.

Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 October 2023 and 31 October 2022.</p> <table border="1" data-bbox="352 219 1517 499"> <thead> <tr> <th></th> <th>As at 31.10.2023 %</th> <th>As at 31.10.2022 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td>81.55</td> <td>82.06</td> <td>-0.51</td> </tr> <tr> <td>Malaysian Government Securities</td> <td>6.47</td> <td>3.26</td> <td>3.21</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>11.98</td> <td>14.68</td> <td>-2.70</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>As at end of the financial year under review, the Fund has 81.55% of its NAV invested in corporate bonds, 6.47% invested in Government securities and the remaining 11.98% of its NAV was in money market deposits and cash equivalents.</p>		As at 31.10.2023 %	As at 31.10.2022 %	Changes %	Corporate bonds	81.55	82.06	-0.51	Malaysian Government Securities	6.47	3.26	3.21	Money market deposits and cash equivalents	11.98	14.68	-2.70	Total	100.00	100.00	
	As at 31.10.2023 %	As at 31.10.2022 %	Changes %																		
Corporate bonds	81.55	82.06	-0.51																		
Malaysian Government Securities	6.47	3.26	3.21																		
Money market deposits and cash equivalents	11.98	14.68	-2.70																		
Total	100.00	100.00																			
Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).																				
Cross Trade	There were no cross trades undertaken during the financial year under review.																				
Distribution/ Unit Splits	<p>During the financial year under review, the Fund declared income distributions, detailed as follows:</p> <table border="1" data-bbox="352 1032 1517 1211"> <thead> <tr> <th>Date of distributions</th> <th>Distributions per unit RM (sen)</th> <th>NAV per unit Cum-Distributions (RM)</th> <th>NAV per unit Ex-Distributions (RM)</th> </tr> </thead> <tbody> <tr> <td>20-Apr-23</td> <td>0.75</td> <td>0.6499</td> <td>0.6424</td> </tr> <tr> <td>23-Oct-23</td> <td>0.55</td> <td>0.6534</td> <td>0.6479</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)	20-Apr-23	0.75	0.6499	0.6424	23-Oct-23	0.55	0.6534	0.6479								
Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)																		
20-Apr-23	0.75	0.6499	0.6424																		
23-Oct-23	0.55	0.6534	0.6479																		
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.																				
Rebates and Soft Commission	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																				
Market Review	<p>Since the end of 2022, United States Treasuries (UST) experienced a significant sell off as United States (US) Federal Reserve aggressively raised interest rates. The rapid interest rate hikes by the US Federal Reserve raised concerns on potential recession, leading to an inverted yield curve. The US bond market remained volatile in 2023 due to frequent changes in market players’ expectations regarding the health of the US economy.</p> <p>In Malaysia, the bond market was relatively resilient despite UST movements. The Malaysian government bonds bull flattened during the 1H23, with yields declining by as much as 82bps in the long end part of the curve. However, local fixed income market took cue from the selloff in the UST in the month of September and October 2023 and saw yields rising across the curve. Much of the movement was due to the more hawkish guidance from the US Federal Reserve. Notably, both the 10-year and 30-year UST touched the psychologically significant 5.00% level. In addition to the external factors, local bond market sentiment was also weighed by concerns over Malaysian government</p>																				

	<p>bond supply. Overall, the Malaysia Government Securities (MGS) yield curve shifted upwards, with yields rising by 9 to 17bps from end-August 2023.</p>
Market Outlook	<p>With the latest US Federal Reserve and BNM policy actions at their respective meetings, the bond market staged a rally after weeks of selling pressure. Moving into 2024, we maintain our base case view of no Overnight Policy Rate (OPR) hike until the first quarter of 2024. The outlook will depend on the inflation pick-up from potential subsidy adjustments, where there may be a possibility of one or two OPR hikes next year. With the Malaysian Federal Government looking to reduce Treasury bill issuance for the next two months, there could be higher issuances in the fourth quarter of 2023 to drive MGS/GII curve moderately steeper. In such a scenario, we will generally underweigh government bonds and focus more on corporate bonds. Trading opportunities will arise if government bond yields spike on supply concerns.</p> <p>The higher inflationary outlook from subsidy rationalization may weigh on bond market sentiment in the near term, affirming our current strategy to be defensive on duration. Nonetheless, if bond yields have adjusted to cheaper levels for us to re-enter the market, we will gradually increase the duration of the portfolios.</p>
Additional Information	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) En Izad Shahadi Bin Mohd Sallehuddin, an Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd ('AIFM'), has resigned from the Investment Committee with effect from 30 June 2023. 2) Ms Tracy Chen Wee Keng, the Chief Executive Officer of AmInvestment Bank Berhad has been appointed as Member of the Investment Committee with effect from 30 June 2023. 3) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AIFM and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023. 4) The Tenth Supplementary Master Prospectus dated 31 August 2023 has been registered with the Securities Commission Malaysia. The issuance of the Tenth Supplementary Master Prospectus is to be in line with the revised Guidelines on Unit Trust Funds and the Prospectus Guidelines for Collective Investment Schemes. Notice of issuance of the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at www.aminvest.com and sent to the Unit Holders on 31 August 2023. 5) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 6) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 7) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.

Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 December 2023

Independent auditors' report to the unit holders of AmlIncome Plus

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmlIncome Plus ("the Fund"), which comprise the statement of financial position as at 31 October 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2023, 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 *Auditor's 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 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 is responsible for the other information. The other information comprises the information in the annual report of the Fund, but does not include the financial statements of the Fund and 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 AmlIncome Plus (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 Trustees 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 to do so.

The Trustee is 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.

Auditor's 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 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
AmlIncome Plus (cont'd.)**

Auditor's 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 planning and performance of 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 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
AmlIncome Plus (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 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. 03276/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 December 2023

AmlIncome Plus

**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023**

	Note	2023 RM	2022 RM
ASSETS			
Investments	4	407,209,498	394,807,269
Amount due from Manager	5(a)	165,953	-
Cash at banks		56,122,566	70,387,208
TOTAL ASSETS		<u>463,498,017</u>	<u>465,194,477</u>
LIABILITIES			
Amount due to Manager	5(b)	824,338	2,413,394
Amount due to Trustee	6	27,876	27,535
Sundry payables and accruals		15,302	15,348
TOTAL LIABILITIES		<u>867,516</u>	<u>2,456,277</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>462,630,501</u>	<u>462,738,200</u>
EQUITY			
Unit holders' capital	8(a)	400,134,744	411,841,422
Retained earnings	8(b)(c)	62,495,757	50,896,778
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	8	<u>462,630,501</u>	<u>462,738,200</u>
UNITS IN CIRCULATION	8(a)	<u>713,088,343</u>	<u>731,103,051</u>
NAV PER UNIT (RM) - EX-DISTRIBUTION		<u>0.6488</u>	<u>0.6329</u>

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

AmlIncome Plus

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Interest income		19,054,071	22,383,305
Net gain/(loss) from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	7	<u>5,206,615</u>	<u>(8,478,923)</u>
		<u>24,260,686</u>	<u>13,904,382</u>
EXPENDITURE			
Manager's fee	5	(3,463,128)	(4,367,123)
Trustee's fee	6	(323,226)	(407,598)
Audit fee		(8,500)	(8,500)
Tax agent's fee		(4,100)	(4,100)
Other expenses		<u>(6,083)</u>	<u>(5,848)</u>
		<u>(3,805,037)</u>	<u>(4,793,169)</u>
Net income before taxation		20,455,649	9,111,213
Taxation	10	<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial year		<u>20,455,649</u>	<u>9,111,213</u>
Total comprehensive income comprises the following:			
Realised income		16,701,842	13,941,399
Unrealised gain/(loss)		<u>3,753,807</u>	<u>(4,830,186)</u>
		<u>20,455,649</u>	<u>9,111,213</u>
Distributions for the financial year			
Net distributions	11	<u>8,856,670</u>	<u>15,521,021</u>
Gross distributions per unit (sen)	11	<u>1.30</u>	<u>1.75</u>
Net distributions per unit (sen)	11	<u>1.30</u>	<u>1.75</u>

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

AmlIncome Plus

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 November 2022		411,841,422	50,896,778	462,738,200
Total comprehensive income for the financial year		-	20,455,649	20,455,649
Creation of units	8(a)	192,946,798	-	192,946,798
Reinvestment of distributions	8(a),11	8,856,670	-	8,856,670
Cancellation of units	8(a)	(213,510,146)	-	(213,510,146)
Distributions	11	-	(8,856,670)	(8,856,670)
Balance at 31 October 2023		<u>400,134,744</u>	<u>62,495,757</u>	<u>462,630,501</u>
At 1 November 2021		611,542,528	57,306,586	668,849,114
Total comprehensive income for the financial year		-	9,111,213	9,111,213
Creation of units	8(a)	260,181,287	-	260,181,287
Reinvestment of distribution	8(a),11	15,521,021	-	15,521,021
Cancellation of units	8(a)	(475,403,414)	-	(475,403,414)
Distributions	11	-	(15,521,021)	(15,521,021)
Balance at 31 October 2022		<u>411,841,422</u>	<u>50,896,778</u>	<u>462,738,200</u>

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

AmlIncome Plus

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	2023	2022
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	373,339,790	415,536,918
Purchase of investments	(382,332,300)	(194,268,506)
Interest received	20,850,967	27,630,299
Manager's fee paid	(3,438,514)	(4,489,644)
Trustee's fee paid	(322,885)	(418,111)
Tax agent's fee paid	(4,100)	(4,100)
Payments for other expenses	(14,629)	(15,308)
Net cash generated from operating and investing activities	<u>8,078,329</u>	<u>243,971,548</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	192,780,845	260,181,287
Payments for cancellation of units	(215,123,816)	(478,960,504)
Net cash used in financing activities	<u>(22,342,971)</u>	<u>(218,779,217)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(14,264,642)	25,192,331
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>70,387,208</u>	<u>45,194,877</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>56,122,566</u>	<u>70,387,208</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>56,122,566</u>	<u>70,387,208</u>

AmlIncome Plus

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

1. GENERAL INFORMATION

AmlIncome Plus (“the Fund”) was established pursuant to a Deed dated 30 October 2001 as amended by Deeds supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, AmanahRaya Trustees Berhad as the Trustee and all unit holders.

The Fund which is a short to medium-term fixed income fund which aims to provide investors with enhanced returns. As provided in the Deed, the financial year shall end on 31 October and the units in the Fund were first offered for sale on 26 November 2001. Subsequently, the Fund was re-launched on 17 June 2004.

The financial statements were authorised for issue by the Manager on 18 December 2023.

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 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
Amendments to MFRSs contained in the document entitled “ <i>Annual Improvements to MFRS Standards 2018-2020</i> ”	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>)*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i>)*	1 January 2022

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting</i> <i>Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to</i> <i>Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and</i> <i>Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7</i> <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution</i> <i>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 SIGNIFICANT 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

3.1 Income recognition (cont'd.)

(i) Interest income

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

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

(ii) Gain or loss on disposal of investments

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in profit or loss.

3.2 Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.3 Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

3.4 Statement of cash flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

3.5 Distribution

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

3.6 Unit holders' capital

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

3.7 Financial assets – initial recognition and measurement

(i) Initial recognition

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

(ii) Initial measurement

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

(iii) "Day 1" profit or loss

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

3.8 Financial assets – classification and subsequent measurement

The classification and subsequent measurement of debt instruments held by the Fund are determined based on their business model and cash flow characteristics.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

3.8 Financial assets – classification and subsequent measurement (cont'd.)

Business model

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

Cash flow characteristics

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

3.9 Financial assets under MFRS 9

Classification and measurement

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

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from brokers/financial institutions, amount due from Manager, dividend/distribution receivables and other receivables.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

3.9 Financial assets under MFRS 9 (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

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

Financial assets at FVTPL

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

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.

3.10 Financial liabilities – classification and subsequent measurement

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

3.11 Derecognition of financial instruments

(i) Derecognition of financial asset

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

- the rights to receive cash flows from the asset have expired, or

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

3.11 Derecognition of financial instruments (cont'd.)

(i) Derecognition of financial asset (cont'd.)

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

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

(ii) Derecognition of financial liability

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

3.12 Financial instruments – expected credit losses (“ECL”)

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

3.13 Determination of fair value

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

3.14 Classification of realised and unrealised gains and losses

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

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

3.15 Significant accounting estimates and judgments

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

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

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

4. INVESTMENTS

	2023	2022
	RM	RM
Financial assets at FVTPL		
At nominal value:		
Corporate bonds	371,370,000	375,120,000
Malaysian Government Securities	30,000,000	15,000,000
	<u>401,370,000</u>	<u>390,120,000</u>
At fair value:		
Corporate bonds	377,266,639	379,726,183
Malaysian Government Securities	29,942,859	15,081,086
	<u>407,209,498</u>	<u>394,807,269</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 October 2023 are as follows:

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds						
16.02.2024	UEM Sunrise Berhad	AA	8,500,000	8,561,363	8,572,185	1.85
24.04.2024	Sabah Development Bank Berhad	AA	7,000,000	7,031,372	7,009,838	1.52
28.06.2024	CIMB Group Holdings Berhad	A	5,000,000	5,110,480	5,084,230	1.10
13.09.2024	Tanjung Bin Energy Sdn. Bhd.	AA	10,000,000	10,113,499	10,263,377	2.19
25.09.2024	Malayan Banking Berhad	AA	3,000,000	3,010,398	3,012,408	0.65
29.11.2024	ANIH Berhad	AA	5,000,000	5,190,579	5,252,856	1.12
12.12.2024	DRB-HICOM Berhad	A	3,500,000	3,573,120	3,561,955	0.77
20.12.2024	MBSB Bank Berhad	A	10,000,000	10,270,497	10,186,352	2.22
27.02.2025	TG Excellence Berhad	A	3,750,000	3,717,541	3,820,897	0.80
24.06.2025	7-Eleven Malaysia Holdings Berhad	AA	5,000,000	5,106,340	5,087,169	1.10
04.07.2025	Kapar Energy Ventures Sdn. Bhd.	AA	8,300,000	8,537,691	8,636,519	1.85
04.09.2025	Exsim Capital Resources Berhad	AA	10,000,000	10,219,329	10,244,322	2.21

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 October 2023 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 %
Corporate bonds (cont'd.)						
05.09.2025	Fortune Premiere Sdn. Bhd.	AA	11,900,000	12,159,058	12,326,816	2.63
19.09.2025	UEM Sunrise Berhad	AA	12,400,000	12,380,209	12,461,179	2.68
24.03.2026	Sime Darby Berhad	AA	10,000,000	10,366,974	10,384,724	2.24
25.05.2026	RHB Bank Berhad	AA	10,000,000	10,126,951	10,173,151	2.19
19.06.2026	UEM Sunrise Berhad	AA	20,000,000	20,685,455	20,392,055	4.47
23.06.2026	S P Setia Berhad	AA	5,000,000	5,074,814	5,077,164	1.10
26.06.2026	Toyota Capital Malaysia Sdn. Bhd.	AAA	10,000,000	10,036,974	10,054,484	2.17
03.07.2026	AEON Co. (M) Berhad	AA	10,000,000	10,158,040	10,139,540	2.20
10.07.2026	Perbadanan Kemajuan Negeri Selangor	AA	10,000,000	10,186,605	10,148,005	2.20
21.08.2026	Sime Darby Property Berhad	AA	5,000,000	5,039,591	5,040,241	1.09
28.08.2026	Mercedes-Benz Services Malaysia Sdn. Bhd.	AAA	5,000,000	5,009,730	5,034,630	1.08
28.08.2026	MTT Shipping Sdn. Bhd.	AA	21,350,000	21,581,489	21,541,992	4.66
12.11.2026	Bank Islam Malaysia Berhad	A	10,000,000	10,077,729	10,137,496	2.18

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 October 2023 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 %
Corporate bonds (cont'd.)						
26.02.2027	Malaysian Resources Corporation Berhad	AA	5,000,000	5,078,586	5,051,089	1.10
24.03.2027	Mercedes-Benz Services Malaysia Sdn. Bhd.	AAA	5,000,000	4,995,326	5,020,426	1.08
15.04.2027	MBSB Bank Berhad	A	5,000,000	4,978,006	5,009,556	1.08
20.07.2027	Bank Muamalat Malaysia Berhad	A	10,000,000	10,318,211	10,149,011	2.23
03.09.2027	YTL Power International Berhad	AA	4,500,000	4,647,403	4,555,276	1.00
08.09.2027	CIMB Group Holdings Berhad	AA	7,000,000	7,311,176	7,337,783	1.58
16.11.2027	Dialog Group Berhad	A	8,970,000	8,860,880	9,000,073	1.92
10.02.2028	AEON Credit Service (M) Berhad	AA	5,000,000	4,903,524	4,908,867	1.06
22.02.2028	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	2,500,000	2,526,959	2,525,631	0.55
24.03.2028	MMC Corporation Berhad	AA	5,000,000	5,226,760	5,224,450	1.13
20.04.2028	UMW Holdings Berhad	AA	3,000,000	3,192,413	3,262,936	0.69

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 October 2023 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 %
Corporate bonds (cont'd.)						
28.04.2028	OSK Rated Bond Sdn. Bhd.	AA	5,000,000	4,972,653	4,917,273	1.08
03.05.2028	UDA Holdings Berhad	AA	5,000,000	5,126,756	5,135,168	1.11
05.05.2028	GENM Capital Berhad	AA	5,000,000	5,102,164	5,125,014	1.10
10.10.2028	Affin Islamic Bank Berhad	A	10,000,000	10,074,956	10,030,656	2.18
13.10.2028	Affin Islamic Bank Berhad	A	5,000,000	5,030,715	5,011,965	1.09
26.10.2028	SMJ Rated Sdn. Bhd.	AAA	5,000,000	5,007,877	5,003,477	1.08
06.04.2029	MMC Port Holdings Sdn. Bhd.	AA				
13.04.2029	Infracap Resources Sdn. Bhd.	AAA	3,200,000	3,241,397	3,209,397	0.70
20.04.2029	S P Setia Berhad	AA	12,000,000	12,112,698	12,085,053	2.62
29.06.2029	PONSB Capital Berhad	AA	2,500,000	2,656,774	2,585,442	0.57
24.08.2029	YTL Power International Berhad	AA	5,000,000	5,008,144	5,048,159	1.08
30.11.2029	MMC Corporation Berhad	AA	3,000,000	3,157,984	3,076,378	0.68
11.01.2030	Projek Lebuhraya Usahasama Berhad	AAA	10,000,000	10,259,998	10,265,778	2.22

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 October 2023 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 %
Corporate bonds (cont'd.)						
22.02.2030	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	2,500,000	2,546,653	2,528,786	0.55
29.03.2030	TNB Power Generation Sdn. Bhd.	AAA	2,500,000	2,509,494	2,509,719	0.54
26.04.2030	DRB-Hicom Berhad	A	5,000,000	5,011,565	5,019,742	1.08
03.05.2030	GENM Capital Berhad	AA	5,000,000	5,099,468	5,131,918	1.10
Total corporate bonds			371,370,000	377,266,639	377,322,687	81.55
Malaysian Government Securities						
31.07.2028	Government of Malaysia	NR*	30,000,000	29,942,859	30,180,408	6.47
Total Malaysian Government Securities			30,000,000	29,942,859	30,180,408	6.47
Total financial assets at FVTPL			401,370,000	407,209,498	407,503,095	88.02
Shortfall of fair value over adjusted cost				(293,597)		

* Non-Rated

The weighted average effective yield on investments are as follows:

	Effective yield	
	2023 %	2022 %
Corporate bonds	4.59	4.55
Malaysian Government Securities	3.85	4.18

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS (CONT'D.)

Analysis of the remaining maturity of investments as at 31 October 2023 and 31 October 2022 are as follows:

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
2023			
At nominal value:			
Corporate bonds	33,500,000	282,170,000	55,700,000
Malaysian Government Securities	-	30,000,000	-
	<u>33,500,000</u>	<u>312,170,000</u>	<u>55,700,000</u>
2022			
At nominal value:			
Corporate bonds	117,950,000	231,500,000	25,670,000
Malaysian Government Securities	-	-	15,000,000
	<u>117,950,000</u>	<u>231,500,000</u>	<u>40,670,000</u>

5. AMOUNT DUE FROM/TO MANAGER

	Note	2023 RM	2022 RM
(a) Due from Manager			
Creation of units	(i)	<u>165,953</u>	-
(b) Due to Manager			
Cancellation of units	(ii)	486,025	2,099,695
Manager's fee payable	(iii)	<u>338,313</u>	<u>313,699</u>
		<u>824,338</u>	<u>2,413,394</u>

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

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

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

(iii) Manager's fee is at a rate of 0.75% (2022: 0.75%) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

6. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.07% (2022: 0.07%) 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 Trustee's fee payable is one month.

7. NET GAIN/(LOSS) FROM INVESTMENTS

	2023 RM	2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of investments	1,452,808	(3,648,737)
- Net unrealised gain/(loss) on changes in fair value of investments	3,753,807	(4,830,186)
	<u>5,206,615</u>	<u>(8,478,923)</u>

8. TOTAL EQUITY

Total equity is represented by:

	Note	2023 RM	2022 RM
Unit holders' capital	(a)	400,134,744	411,841,422
Retained earnings			
- Realised income	(b)	62,789,354	54,944,182
- Unrealised losses	(c)	(293,597)	(4,047,404)
		<u>462,630,501</u>	<u>462,738,200</u>

(a) Unit holders' capital/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	731,103,051	411,841,422	1,044,051,686	611,542,528
Creation during the financial year	299,482,924	192,946,798	410,459,472	260,181,287
Reinvestment of distributions (Note 11)	13,734,978	8,856,670	24,766,269	15,521,021
Cancellation during the financial year	<u>(331,232,610)</u>	<u>(213,510,146)</u>	<u>(748,174,376)</u>	<u>(475,403,414)</u>
At end of the financial year	<u>713,088,343</u>	<u>400,134,744</u>	<u>731,103,051</u>	<u>411,841,422</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

8. TOTAL EQUITY (CONT'D.)

(b) Realised - distributable

	2023 RM	2022 RM
At beginning of the financial year	54,944,182	56,523,804
Net realised income for the financial year	16,701,842	13,941,399
Distributions out of realised income (Note 11)	<u>(8,856,670)</u>	<u>(15,521,021)</u>
At end of the financial year	<u>62,789,354</u>	<u>54,944,182</u>

(c) Unrealised – non-distributable

	2023 RM	2022 RM
At beginning of the financial year	(4,047,404)	782,782
Net unrealised gain/(loss) for the financial year	<u>3,753,807</u>	<u>(4,830,186)</u>
At end of the financial year	<u>(293,597)</u>	<u>(4,047,404)</u>

9. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad (“AMMB”)	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

There are no units held by the Manager or any related party as at 31 October 2023 and 31 October 2022.

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

	2023 RM	2022 RM
(i) Significant related party transactions		
<u>AmBank (M) Berhad</u> Interest income	<u>2,017,991</u>	<u>1,312,988</u>
(ii) Significant related party balances		
<u>AmBank (M) Berhad</u> Cash at banks	<u>56,122,566</u>	<u>70,387,208</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

10. TAXATION

Income tax payable is calculated on 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:

	2023	2022
	RM	RM
Net income before taxation	<u>20,455,649</u>	<u>9,111,213</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	4,909,356	2,186,691
Tax effects of:		
Income not subject to tax	(5,826,038)	(5,371,993)
Losses not allowed for tax deduction	3,474	2,034,942
Restriction on tax deductible expenses for unit trust fund	749,872	945,135
Non-permitted expenses for tax purposes	80,018	100,210
Permitted expenses not used and not available for future financial years	<u>83,318</u>	<u>105,015</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

11. DISTRIBUTIONS

Distributions to unit holders for the current and previous financial years are from the following sources:

	2023	2022
	RM	RM
Undistributed net realised income brought forward	-	5,948,636
Interest income	11,836,590	12,198,563
Net realised gain on sale of investments	<u>825,117</u>	<u>-</u>
	12,661,707	18,147,199
Less: Expenses	<u>(3,805,037)</u>	<u>(2,626,178)</u>
Total amount of distributions	<u>8,856,670</u>	<u>15,521,021</u>
Gross distributions per unit (sen)	<u>1.30</u>	<u>1.75</u>
Net distributions per unit (sen)	<u>1.30</u>	<u>1.75</u>
Distributions made out of:		
- Realised income [Note 8(b)]	<u>8,856,670</u>	<u>15,521,021</u>
Comprising :		
Reinvestment of distributions [Note 8(a)]	<u>8,856,670</u>	<u>15,521,021</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

11. DISTRIBUTIONS (CONT'D.)

Details of distributions to unit holders for the previous and current financial years are as follows:

Financial year ended 31 October 2023

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
20 April 2023	0.75	0.75	4,931,521
23 October 2023	0.55	0.55	3,925,149
	<u>1.30</u>	<u>1.30</u>	<u>8,856,670</u>

Financial year ended 31 October 2022

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
25 April 2022	<u>1.75</u>	<u>1.75</u>	<u>15,521,021</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.

Included in the distribution for the financial year ended 31 October 2022 was RM5,948,636 distributed from previous financial year's net realised income.

The distribution declared for the financial year ended 31 October 2022 have been proposed before taking into account the net unrealised loss of RM4,830,186 arising during the financial year which is carried forward to the next financial year.

12. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2023 % p.a.	2022 % p.a.
Manager's fee	0.75	0.75
Trustee's fee	0.07	0.07
Fund's other expenses	-*	-*
Total TER	<u>0.82</u>	<u>0.82</u>

* represents less than 0.01%.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

12. TOTAL EXPENSE RATIO (“TER”) (CONT’D.)

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.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.82 times (2022: 0.51 times).

14. SEGMENTAL REPORTING

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

15. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 October 2023 are as follows:

Brokers	Transaction value	
	RM	%
RHB Investment Bank Berhad	174,683,489	26.14
Hong Leong Bank Berhad	122,025,044	18.26
CIMB Bank Berhad	78,673,248	11.77
AmBank (M) Berhad*	70,772,643	10.59
United Overseas Bank (Malaysia) Bhd	60,688,154	9.08
AmBank Islamic Berhad*	30,061,833	4.50
Affin Hwang Investment Bank Berhad	25,281,424	3.78
Hong Leong Investment Bank Berhad	25,269,525	3.78
JP Morgan Securities (M) Sdn Bhd	20,382,254	3.05
CIMB Islamic Bank Berhad	20,099,804	3.01
Other brokers	40,310,648	6.04
Total	<u>668,248,066</u>	<u>100.00</u>

* Financial institutions related to the Manager.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

16. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The significant 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 instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2023				
Assets				
Investments	407,209,498	-	-	407,209,498
Amount due from Manager	-	165,953	-	165,953
Cash at banks	-	56,122,566	-	56,122,566
Total financial assets	407,209,498	56,288,519	-	463,498,017
Liabilities				
Amount due to Manager	-	-	824,338	824,338
Amount due to Trustee	-	-	27,876	27,876
Total financial liabilities	-	-	852,214	852,214
2022				
Assets				
Investments	394,807,269	-	-	394,807,269
Cash at banks	-	70,387,208	-	70,387,208
Total financial assets	394,807,269	70,387,208	-	465,194,477
Liabilities				
Amount due to Manager	-	-	2,413,394	2,413,394
Amount due to Trustee	-	-	27,535	27,535
Total financial liabilities	-	-	2,440,929	2,440,929
			Income, expenses, gains and losses	
			2023	2022
			RM	RM
Net gain/(loss) from financial assets at FVTPL			5,206,615	(8,478,923)
Income, of which derived from:				
- Interest income from financial assets at FVTPL			16,943,541	21,070,317
- Interest income from financial assets at amortised cost			2,110,530	1,312,988

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

16. FINANCIAL INSTRUMENTS (CONT'D.)

(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:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at FVTPL	-	407,209,498	-	407,209,498
2022				
Financial assets at FVTPL	-	394,807,269	-	394,807,269

(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/to Manager
- Cash at banks
- 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Market risk

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

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

(i) Interest rate risk

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

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

The result below summarised the interest rate 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	
	2023 RM	2022 RM
+100 bps	(11,812,879)	(8,275,969)
-100 bps	<u>12,399,280</u>	<u>8,568,095</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund can invest up to 100% of the NAV in fixed income instruments. As such the Fund would be exposed to the risk of bond issuers and 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 October 2023 and 31 October 2022:

Credit rating	RM	As a % of debt securities	As a % of NAV
2023			
AAA	47,875,282	11.76	10.35
AA	252,367,657	61.97	54.55
A	77,023,700	18.92	16.65
NR	29,942,859	7.35	6.47
	<u>407,209,498</u>	<u>100.00</u>	<u>88.02</u>
2022			
AAA	31,420,790	7.96	6.79
AA	236,586,747	59.92	51.13
A	111,718,646	28.30	24.14
NR	15,081,086	3.82	3.26
	<u>394,807,269</u>	<u>100.00</u>	<u>85.32</u>

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

(b) Credit risk (cont'd.)

(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 October 2023 and 31 October 2022:

Sector	RM	As a % of debt securities	As a % of NAV
2023			
Consumer discretionary	39,899,884	9.80	8.62
Consumer staples	10,366,974	2.55	2.24
Energy and utilities	49,758,600	12.21	10.76
Financial services	118,505,374	29.10	25.62
Industrials	3,717,541	0.91	0.80
Public administration	34,925,130	8.58	7.55
Real estate	101,377,788	24.90	21.91
Transportation and storage	48,658,207	11.95	10.52
	<u>407,209,498</u>	<u>100.00</u>	<u>88.02</u>
2022			
Diversified holdings	28,336,348	7.18	6.12
Financial services	114,355,857	28.96	24.72
Industrial products	26,663,540	6.75	5.76
Infrastructures and utilities	65,205,009	16.52	14.09
Mining and petroleum	3,896,283	0.99	0.84
Property and real estate	121,560,376	30.79	26.28
Public finance	19,969,002	5.06	4.32
Trading and services	14,820,854	3.75	3.19
	<u>394,807,269</u>	<u>100.00</u>	<u>85.32</u>

(c) Liquidity risk

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different asset and liability classes in the Fund:

	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
2023						
Financial assets						
Investments	52,067,672	86,687,285	119,785,525	54,803,342	95,359,641	58,712,322
Amount due from Manager	165,953	-	-	-	-	-
Cash at banks	56,122,566	-	-	-	-	-
Total assets	108,356,191	86,687,285	119,785,525	54,803,342	95,359,641	58,712,322
Financial liabilities						
Amount due to Manager	824,338	-	-	-	-	-
Amount due to Trustee	27,876	-	-	-	-	-
Sundry payables and accruals	15,302	-	-	-	-	-
Total liabilities	867,516	-	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different asset and liability 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
2022						
Financial assets						
Investments	135,611,764	70,565,544	127,667,256	9,499,301	53,304,878	42,021,768
Cash at banks	70,387,208	-	-	-	-	-
Total assets	205,998,972	70,565,544	127,667,256	9,499,301	53,304,878	42,021,768
Financial liabilities						
Amount due to Manager	2,413,394	-	-	-	-	-
Amount due to Trustee	27,535	-	-	-	-	-
Sundry payables and accruals	15,348	-	-	-	-	-
Total liabilities	2,456,277	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023**

17. 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 Deed and its Supplemental Deed, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

18. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unit holders' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units, make distribution payment, or return capital to unit holders by way of redemption of units.

No changes were made in the objective, policies or processes during the financial years ended 31 October 2023 and 31 October 2022.

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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 AmIncome Plus (“the Fund”) as at 31 October 2023 and the comprehensive income, the changes in equity 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 December 2023

TRUSTEE'S REPORT

To the unit holders of **AMINCOME PLUS ("Fund")**,

We have acted as Trustee of the Fund for the financial year ended 31 October 2023 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.

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

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI
Chief Executive Officer
Date: 14 December 2023

DIRECTORY

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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.)*

