

Annual Report for

# AmIncome USD Fund

30 November 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

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

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

## **CONTENTS**

- 1** Manager's Report
- 7** Independent Auditors' Report to the Unit Holders
- 11** Statement of Financial Position
- 12** Statement of Comprehensive Income
- 13** Statement of Changes in Equity
- 14** Statement of Cash Flows
- 15** Notes to the Financial Statements
- 39** Statement by the Manager
- 40** Trustee's Report
- 41** Directory

## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmlIncome USD Fund ("Fund") for the financial year ended 30 November 2024.

### Salient Information of the Fund

<b>Name</b>	AmlIncome USD Fund ("Fund")				
<b>Category/Type</b>	Wholesale Fixed Income / Income				
<b>Objective</b>	<p>The Fund seeks to provide income* and liquidity** over short to medium-term.</p> <p><i>Notes:</i>  <i>*Income distribution (if any) will be in the form of additional units.</i>  <i>**Liquidity means that investor may receive their redemption proceeds within two (2) Business Days after redemption application is received by the Manager on or before the cut-off time. However, we may for any reason at any time, where applicable, extend the payment of the net redemption proceeds no later than ten (10) calendar days from the date of the redemption request is received by the manager.</i>  <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>				
<b>Duration</b>	The Fund was established on 11 November 2019 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.				
<b>Performance Benchmark</b>	<p>Maybank USD Overnight Deposit Rate ("MBB USD Overnight Deposit Rate").          (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> / <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a>)</p> <p><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></p>				
<b>Income Distribution Policy</b>	<p>Subject to the availability of income, distribution will be made on a monthly basis. Distribution, if any, will be automatically reinvested into units at no cost.</p> <p><i>Note: Income distribution amount (if any) is subject to the sole discretion of the Manager.</i></p>				
<b>Breakdown of Unit Holdings by Size</b>	For the financial year under review, the size of the Fund stood at 12,750 units.				
	<b>Size of holding</b>	<b>As at 30 November 2024</b>		<b>As at 30 November 2023</b>	
		<b>No of units held</b>	<b>Number of unitholder</b>	<b>No of units held</b>	<b>Number of unitholder</b>
	5,000 and below	-	-	-	-
	5,001-10,000	-	-	-	-
	10,001-50,000	12,750	1	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	-	-	627,181	1

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 30 November are as follows:			
		<b>As at 30 November</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
		<b>%</b>	<b>%</b>	<b>%</b>
	Foreign bonds	-	84.11	91.28
	Money market deposits and cash equivalents	100.00	15.89	8.72
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
<b>Performance Details</b>	Performance details of the Fund for the financial years ended 30 November are as follows:			
		<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
	Net asset value (USD)	17,599	922,515	4,432,186
	Units in circulation	12,750	627,181	4,742,351
	Net asset value per unit (USD)	1.3803	1.4709	0.9346
	Highest net asset value per unit (USD)	1.4845	1.4910	1.0043
	Lowest net asset value per unit (USD)	1.3803	0.6018	0.9298
	Benchmark performance (%)	5.12	4.90	1.41
	Total return (%) <sup>(1)</sup>	0.52	57.38	-6.19
	- Capital growth (%)	-6.17	57.38	-6.43
	- Income distributions (%)	6.69	-	0.24
	Gross distributions (cent per unit)	10.5957	-	0.2600
	Net distributions (cent per unit)	9.8400	-	0.2400
	Total expense ratio (%) <sup>(2)</sup>	1.88	1.30	0.86
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.56	2.79	1.07
	<i>Note:</i>			
	<i>(1) Total return is the actual return of the respective Fund for the financial 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. The TER increased by 0.58% as compared to 1.30% per annum for the financial year ended 30 November 2023 mainly due to decrease in average fund size.</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. The decrease in the PTR for 2024 and increase in 2023 were due mainly to investing activities.</i>			

**Average Total Return (as at 30 November 2024)**

	<b>AmlIncome USD Fund<sup>(a)</sup> %</b>	<b>Benchmark<sup>(b)</sup> %</b>
One year	0.52	5.12
Three years	14.06	3.80
Five years	8.57	2.36
Since launch (11 November 2019)	8.50	2.35

**Annual Total Return**

<b>Financial Period/Years Ended (30 November)</b>	<b>AmlIncome USD Fund<sup>(a)</sup> %</b>	<b>Benchmark<sup>(b)</sup> %</b>
2024	0.52	5.12
2023	57.38	4.90
2022	-6.19	1.41
2021	-1.20	0.05
2020 <sup>(c)</sup>	2.90	0.51

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

(b) Maybank USD Overnight Deposit Rate (“MBB USD Overnight Deposit Rate”).  
(Available at [www.aminvest.com](http://www.aminvest.com) / [www.maybank2u.com.my](http://www.maybank2u.com.my)).

(c) Total actual return for the financial period from 11 November 2019 (date of launch) to 30 November 2020.

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

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

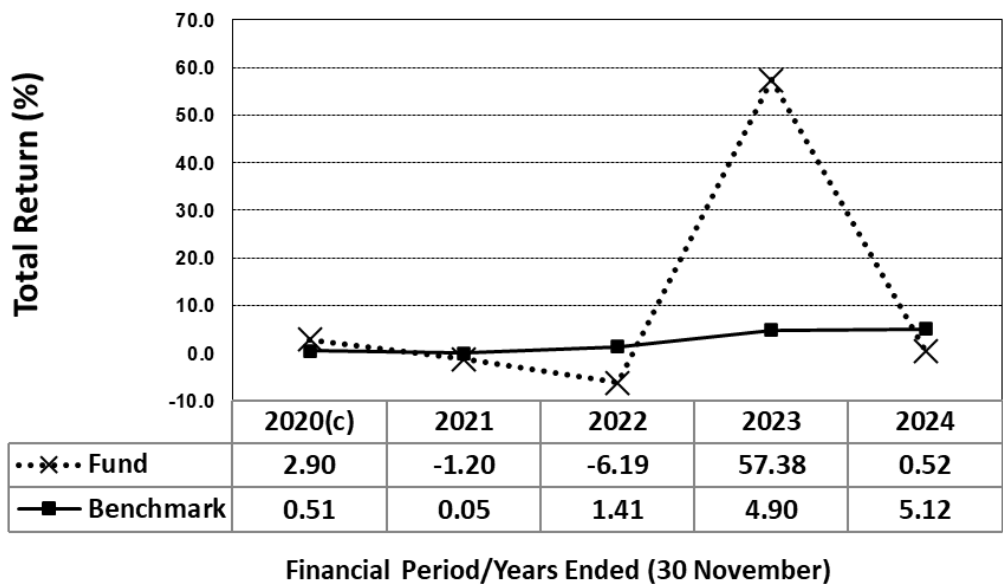
**Fund Performance**

For the financial year under review, the Fund registered a return of 0.52% comprising of negative 6.17% capital and 6.69% income distributions.

Thus, the Fund’s return of 0.52% has underperformed the benchmark’s return of 5.12% by 4.60%.

As compared with the financial year ended 30 November 2023, the net asset value (“NAV”) per unit of the Fund decreased by 6.16% from USD1.4709 to USD1.3803, while units in circulation decreased by 97.97% from 627,181 units to 12,750 units.

The following line chart shows comparison between the annual performances of AmlIncome USD Fund and its benchmark for the financial period/years ended 30 November.



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

**Has the Fund achieved its objective?**

Yes, the Fund has achieved its objective of providing income and liquidity over the short to medium term.

**Strategies and Policies Employed**

For the financial year under review, the Fund is actively managed and seeks to achieve its investment objective by investing a minimum 70% of its NAV in fixed income instruments which include sovereign, quasi-sovereign and corporate bonds, accepted bills, negotiable instrument of deposits, repurchase agreement (Repo) and deposits with financial institutions.

However, as investors begin to redeem from the fund, the remaining bond holdings were sold to meet redemption.

**Portfolio Structure**

The table below is the asset allocation of the Fund as at 30 November 2024 and 30 November 2023.

	As at 30.11.2024 %	As at 30.11.2023 %	Changes %
Foreign bonds	-	84.11	-84.11
Money market deposits and cash equivalents	100.00	15.89	84.11
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

As at the end of the financial year, the Fund has invested 100% of its NAV in money market deposits and cash equivalents.

**Cross Trade**

There were no cross trades undertaken during the financial year under review.

<b>Distribution/ Unit splits</b>	<p>During the financial year under review, the Fund declared income distributions, detailed as follows:</p> <table border="1" data-bbox="357 217 1449 461"> <thead> <tr> <th data-bbox="357 217 576 320">Date of distributions</th> <th data-bbox="576 217 885 320">Distributions per unit USD (cent)</th> <th data-bbox="885 217 1173 320">NAV per unit Cum-Distributions (USD)</th> <th data-bbox="1173 217 1449 320">NAV per unit Ex-Distributions (USD)</th> </tr> </thead> <tbody> <tr> <td data-bbox="357 320 576 353">29-Feb-24</td> <td data-bbox="576 320 885 353">1.3900</td> <td data-bbox="885 320 1173 353">1.4831</td> <td data-bbox="1173 320 1449 353">1.4692</td> </tr> <tr> <td data-bbox="357 353 576 387">28-Jun-24</td> <td data-bbox="576 353 885 387">0.5300</td> <td data-bbox="885 353 1173 387">1.4840</td> <td data-bbox="1173 353 1449 387">1.4787</td> </tr> <tr> <td data-bbox="357 387 576 421">30-Aug-24</td> <td data-bbox="576 387 885 421">1.4100</td> <td data-bbox="885 387 1173 421">1.4842</td> <td data-bbox="1173 387 1449 421">1.4701</td> </tr> <tr> <td data-bbox="357 421 576 461">30-Sep-24</td> <td data-bbox="576 421 885 461">6.5100</td> <td data-bbox="885 421 1173 461">1.4762</td> <td data-bbox="1173 421 1449 461">1.4111</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distributions	Distributions per unit USD (cent)	NAV per unit Cum-Distributions (USD)	NAV per unit Ex-Distributions (USD)	29-Feb-24	1.3900	1.4831	1.4692	28-Jun-24	0.5300	1.4840	1.4787	30-Aug-24	1.4100	1.4842	1.4701	30-Sep-24	6.5100	1.4762	1.4111
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<b>State of Affairs</b>	<p>There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.</p>																				
<b>Rebates and Soft Commission</b>	<p>During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>																				
<b>Market Review</b>	<p>In December 2023, Asian dollar bonds saw strong inflows, continuing from November. The overall Asian Dollar Bond Index saw a 3.13% month-on-month (MoM) gain in December on the back of continued higher global investor risk appetite, further bolstered by the United States (US) Federal Reserve (Fed) dovish signalling of “dialling back the amount of policy restraint that is in place” during the month. The start2024 saw a moderating of flows from the previous year-end’s exuberance as the market began tampering down expectations of a January rate-cut. The overall Asian Dollar Bond Index saw a modest 0.13% gain to 133.4. The Asian Dollar Bond Index saw a marginal decline of -0.41% MoM in February 2024 as the United States Treasuries (UST) curve bear flattened during the month of February. Nonetheless, the higher Treasuries yields were partially offset by tighter credit spreads in Asian Dollar bonds, particularly in the high yield segment.</p> <p>In March, the Asian Dollar Bond Index saw MOM growth of 0.86%, reversing Year-to-date (YTD) decline of -0.28% in the previous month to YTD growth of 0.58% this month. The growth was partly due to credit spread tightening seen in the Asian dollar bonds as supply of new dollar debts fell 17% YTD compared to record high issuance in US and Europe at the start of 2024. The Asian Dollar High Yield (HY) Index sustained its growth trajectory with another MoM gain of 1.71%, delivering a total of 6.27% gain YTD. This is partly due to lower supply of dollar bonds from China as the recent rate cut has made it cheaper for the Issuers to issue local-currency bonds than in dollars. Other indices also showing some recovery with both Asian Dollar IG Index and Asian Dollar Corp Index (ex-banks) reported 0.76% MoM gains.</p> <p>Asian Dollar Bonds saw negative performance in April reversing the moderate rebound in March 2025. The weaker performance comes from a broad-based sell-down of Emerging Market (EM) assets by foreign investors rebalancing towards the US market. During April, as economic data increasingly pointed toward a slower disinflation trend in the US, the market began repricing for fewer US Fed rate cuts for the year. The resulting higher UST yields raised the rate-of-return hurdle for EM assets, including for the hard currency Asian bonds. At the same time, the stronger US dollar (USD) resulting from repricing towards higher UST yields, also raises credit risks and economic outlook risks for EM assets. Asian Dollar Bonds saw positive performance in May, in line with the movement seen in the UST, which rallied by 18–20bps during the month, following a series of softer-than-expected data releases that pointed towards a cooler economy. This reversed YTD</p>																				



	<p>performance to positive territory at 0.70%. and Asian Dollar Corp Index with 1.57% month-to-month (MoM) gain.</p> <p>The month of June 2024 saw an inflow into the Asian Dollar Bond indices as the market digested data points pointing to slowing inflationary pressure and signs of cooling economic growth in the United States (US). Asian Dollar Bonds showed positive performance in July, driven by the bull steepening of the United States Treasury (UST) curve. This was due to the softening of US labour market conditions and further progress made toward the Federal Reserve (Fed) 2% inflation target.</p> <p>Asian Dollar Bonds saw positive performance in August, driven by the bull steepening of the UST curve as economic data releases pointed towards a cooler economy with two major data points, US Nonfarm Payrolls and inflation missed consensus expectation. The US Dollar Index (DXY) fell by 2.3% MoM in August, in line with lower UST yields. This was followed by economic data releases from the US indicating a cooling labour market and a continued disinflation trend. Additionally, Fed Chair Powell's comments at the Jackson Hole symposium also cemented the view that the Fed will begin cutting rates in September.</p> <p>Asian dollar bonds saw positive performance in September, driven by the Fed rate cut of 50bps to 4.75-5.00% in the Federal Open Market Committee (FOMC) meeting. The rally was led by the High Yield (HY), which saw the Asian High Yield Index jumped the most by 1.61% MoM gain. Asian dollar indices performances were generally weakened in the month of October (except High Yield (HY) segment), driven by the expectation of less aggressive Fed rate cut going forward. The decline was led by the Investment Grade (IG) segment, which saw the Asian IG Index dropped the most by 1.55%. Asian dollar indices performances were generally stronger in the month of November (except High Yield (HY) segment) as UST regained some ground after a sharp sell-off post US Presidential election.</p>
<p><b>Market Outlook</b></p>	<p>The Fed delivered widely expected second 25bps cut on 7 November. Federal Funds Rate now at 4.75% (upper bound). On 15 Nov, Fed Chairman Jerome Powell commented that in short term the election would be inconsequential the Fed's rate decisions, but the Fed will take into account the potential effects of the new administration's fiscal policy on the economy in their model. Overall, market expects Fed's rate cut cycle to remain intact, however at a shallower pace and with terminal rate of 3.65% at ~90bps higher than in September.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

17 January 2025

## **Independent auditors' report to the unit holders of AmIncome USD Fund**

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

#### *Opinion*

We have audited the financial statements of AmIncome USD Fund (the "Fund"), which comprise the statement of financial position as at 30 November 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

#### *Basis for opinion*

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

#### *Independence and other ethical responsibilities*

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

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

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

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

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

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

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

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

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

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

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

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

**Independent auditors' report to the unit holders of  
AmlIncome USD Fund (cont'd.)**

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

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

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

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

**Independent auditors' report to the unit holders of  
AmlIncome USD Fund (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 Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

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

Kuala Lumpur, Malaysia  
17 January 2025

**AmlIncome USD Fund**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2024**

	Note	2024 USD	2023 USD
<b>ASSETS</b>			
Investments	4	-	775,946
Interest receivables		6	-
Deposit with licensed financial institution	5	-	147,021
Tax recoverable		6,733	2,088
Cash at banks		24,300	11,362
<b>TOTAL ASSETS</b>		<u>31,039</u>	<u>936,417</u>
<b>LIABILITIES</b>			
Amount due to Manager	6	9,284	9,692
Amount due to Trustee	7	394	396
Sundry payables and accruals		3,762	3,814
<b>TOTAL LIABILITIES</b>		<u>13,440</u>	<u>13,902</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>17,599</u>	<u>922,515</u>
<b>EQUITY</b>			
Unit holders’ capital	9(a)	705,813	1,605,036
Accumulated losses	9(b)(c)	<u>(688,214)</u>	<u>(682,521)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>17,599</u>	<u>922,515</u>
<b>UNITS IN CIRCULATION</b>	9(a)	<u>12,750</u>	<u>627,181</u>
<b>NAV PER UNIT (USD)</b>		<u>1.3803</u>	<u>1.4709</u>

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

## AmlIncome USD Fund

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Note	2024 USD	2023 USD
<b>INVESTMENT INCOME</b>			
Interest income		36,701	37,613
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	274	29,056
Other net realised losses on foreign currency exchange		(20)	(627)
Other net unrealised (loss)/gain on foreign currency exchange		(2)	229
		<u>36,953</u>	<u>66,271</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(3,543)	(8,403)
Trustee’s fee	7	(4,814)	(2,394)
Audit fee		(1,713)	(1,818)
Tax agent’s fee		(706)	(750)
Other expenses		(2,538)	(2,002)
		<u>(13,314)</u>	<u>(15,367)</u>
<b>Net income before taxation</b>		23,639	50,904
<b>Taxation</b>	11	<u>(3,100)</u>	<u>(15,619)</u>
<b>Net income after taxation, representing total comprehensive income for the financial year</b>		<u>20,539</u>	<u>35,285</u>
Total comprehensive income comprises the following:			
Realised income/(loss)		22,537	(108,710)
Unrealised (loss)/gain		(1,998)	143,995
		<u>20,539</u>	<u>35,285</u>
<b>Distributions for the financial year</b>			
Net distributions	12	<u>26,232</u>	-
Gross distributions per unit (cent)	12	<u>10.5957</u>	-
Net distributions per unit (cent)	12	<u>9.8400</u>	-

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

## AmlIncome USD Fund

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Note	Unit holders' capital USD	Accumulated losses USD	Total equity USD
At 1 December 2023		1,605,036	(682,521)	922,515
Total comprehensive income for the financial year		-	20,539	20,539
Creation of units	9(a)	56,157	-	56,157
Reinvestment of distributions	9(a)	26,232	-	26,232
Cancellation of units	9(a)	(981,612)	-	(981,612)
Distributions	9(b),12	-	(26,232)	(26,232)
Balance at 30 November 2024		<u>705,813</u>	<u>(688,214)</u>	<u>17,599</u>
At 1 December 2022		5,149,992	(717,806)	4,432,186
Total comprehensive income for the financial year		-	35,285	35,285
Creation of units	9(a)	940,118	-	940,118
Reinvestment of distributions	9(a)	1,423	-	1,423
Cancellation of units	9(a)	(4,486,497)	-	(4,486,497)
Balance at 30 November 2023		<u>1,605,036</u>	<u>(682,521)</u>	<u>922,515</u>

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



**AmlIncome USD Fund**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

	Note	2024 USD	2023 USD
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		790,495	4,884,171
Purchases of investments		-	(1,628,176)
Interest received		22,399	80,666
Manager's fee paid		(3,951)	(11,059)
Trustee's fee paid		(4,816)	(2,195)
Tax agent's fee paid		(770)	(689)
Tax paid		(7,745)	(25,316)
Payments for other expenses		(4,240)	(3,816)
Net cash generated from operating and investing activities		<u>791,372</u>	<u>3,293,586</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		56,157	940,118
Payments for cancellation of units		(981,612)	(4,477,237)
Net cash used in financing activities		<u>(925,455)</u>	<u>(3,537,119)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(134,083)	(243,533)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>158,383</u>	<u>401,916</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u>24,300</u>	<u>158,383</u>
Cash and cash equivalents comprise:			
Deposit with licensed financial institution	5	-	147,021
Cash at banks		<u>24,300</u>	<u>11,362</u>
		<u>24,300</u>	<u>158,383</u>

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

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 1. GENERAL INFORMATION

AmlIncome USD Fund (the “Fund”) was established pursuant to a Deed dated 7 October 2019, between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and unit holders.

The Fund seeks to provide income and liquidity over short to medium-term. As provided in the Deed, the financial year shall end on 30 November and the units in the Fund were first offered for sale on 11 November 2019.

The financial statements were authorised for issue by the Manager on 17 January 2025.

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

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

##### Standards effective during the financial year

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

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

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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

##### Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i> Amendments to MFRS 9 <i>Financial Instruments</i> Amendments to MFRS 10 <i>Consolidated Financial Statements*</i> Amendments to MFRS 107 <i>Statement of Cash Flows</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

#### 3. SUMMARY OF ACCOUNTING POLICIES

##### 3.1 Income recognition

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

## **AmlIncome USD Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

#### **3. SUMMARY OF 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 United States Dollar ("USD") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted USD as its presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

**3.4 Foreign currency transactions**

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into USD at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

**3.5 Statement of cash flows**

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

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

**3.6 Distribution**

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

**3.7 Unit holders' capital**

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

**3.8 Financial instruments – initial recognition and measurement**

(i) Initial recognition

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

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

(ii) Initial measurement

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

(iii) “Day 1” profit or loss

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

**3.9 Financial assets**

Classification and measurement

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

*Business model*

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

**3.9 Financial assets (cont'd.)**

Classification and measurement (cont'd.)

*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.

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 Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

*Financial assets at FVOCI*

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

**3.9 Financial assets (cont'd.)**

Classification and measurement (cont'd.)

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

*Financial assets at FVTPL*

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

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

**3.10 Financial liabilities – classification and subsequent measurement**

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

**3.11 Derecognition of financial instruments**

(i) Derecognition of financial asset

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

**3.11 Derecognition of financial instruments (cont'd.)**

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

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

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

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 3. SUMMARY OF 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

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
<b>Financial assets at FVTPL</b>		
At nominal value:		
Sovereign bond	-	800,000
	<hr/>	<hr/>
At fair value:		
Sovereign bond	-	775,946
	<hr/>	<hr/>

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 4. INVESTMENTS (CONT'D.)

The weighted average effective yield on investments are as follows:

	Effective yield	
	2024	2023
	%	%
Sovereign bond	-	5.10

Analysis of the remaining maturity of investments as at 30 November 2023 are as follows:

	1 year to 5 years USD
	USD
<b>2023</b>	
At nominal value:	
Sovereign bond	800,000

#### 5. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION

	2024	2023
	USD	USD
At nominal value:		
Short-term deposit	-	147,000
At carrying value:		
Short-term deposit	-	147,021

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

	Weighted average effective interest rate		Weighted average remaining maturities	
	2024	2023	2024	2023
	%	%	Day	Day
Short-term deposit	-	5.25	-	1

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 6. AMOUNT DUE TO MANAGER

	Note	2024 USD	2023 USD
<b>Due to Manager</b>			
Cancellation of units	(i)	9,259	9,260
Manager's fee payable	(ii)	25	432
		<u>9,284</u>	<u>9,692</u>

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

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

- (ii) Manager's fee is at a rate of 0.50% (2023: 0.50%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2023: 0.04%) per annum on the NAV of the Fund (excluding foreign custodian fees and charges, where applicable), subject to a minimum fee of RM10,000 per annum, calculated on a daily basis.

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

#### 8. NET GAINS FROM INVESTMENTS

	2024 USD	2023 USD
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	2,270	(114,711)
– Net unrealised (loss)/gain on changes in fair value of investments	(1,996)	143,767
	<u>274</u>	<u>29,056</u>

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	2024 USD	2023 USD
Unit holders' capital	(a)	705,813	1,605,036
Accumulated losses			
– Realised losses	(b)	(688,212)	(684,517)
– Unrealised (loss)/gain	(c)	(2)	1,996
		<u>17,599</u>	<u>922,515</u>

#### (a) Unit holders' capital/Units in circulation

	2024		2023	
	Number of units	USD	Number of units	USD
At beginning of the financial year	627,181	1,605,036	4,742,351	5,149,992
Creation during the financial year	37,896	56,157	636,794	940,118
Reinvestment of distributions	18,062	26,232	1,522	1,423
Cancellation during the financial year	(670,389)	(981,612)	(4,753,486)	(4,486,497)
At end of the financial year	<u>12,750</u>	<u>705,813</u>	<u>627,181</u>	<u>1,605,036</u>

#### (b) Realised

	2024 USD	2023 USD
At beginning of the financial year	(684,517)	(575,807)
Net realised income/(loss) for the financial year	22,537	(108,710)
Distributions out of realised income (Note 12)	(26,232)	-
At end of the financial year	<u>(688,212)</u>	<u>(684,517)</u>

#### (c) Unrealised – non-distributable

	2024 USD	2023 USD
At beginning of the financial year	1,996	(141,999)
Net unrealised (loss)/gain for the financial year	(1,998)	143,995
At end of the financial year	<u>(2)</u>	<u>1,996</u>

## AmIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

There are no units held by the Manager or any other related party as at 30 November 2024 and 30 November 2023.

#### 11. TAXATION

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Local tax		
- current year	-	19,571
- under/(over) provision in previous financial years	3,100	(3,952)
	<u>3,100</u>	<u>15,619</u>

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

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempted from tax. Foreign-sourced income (“FSI”) received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

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

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 11. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Net income before taxation	<u>23,639</u>	<u>50,904</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	5,673	12,217
Tax effects of:		
Income not subject to tax	(9,226)	(23,767)
Losses not allowed for tax deduction	484	27,681
Restriction on tax deductible expenses for unit trust fund	1,135	2,232
Non-permitted expenses for tax purposes	1,934	1,208
Under/(Over) provision in previous financial years	<u>3,100</u>	<u>(3,952)</u>
Tax expense for the financial year	<u>3,100</u>	<u>15,619</u>

#### 12. DISTRIBUTIONS

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

	<b>2024</b>
	<b>USD</b>
Gross distributions per unit (cent)	<u>10.5957</u>
Net distributions per unit (cent)	<u>9.8400</u>

#### Financial year ended 30 November 2024

<b>Distributions</b>	<b>Gross</b>	<b>Net</b>	<b>Total</b>
<b>Ex-date</b>	<b>distributions</b>	<b>distributions</b>	<b>distributions</b>
	<b>per unit</b>	<b>per unit</b>	<b></b>
	<b>USD (cent)</b>	<b>USD (cent)</b>	<b>USD</b>
29 February 2024	1.8032	1.3900	7,745
28 June 2024	0.6929	0.5300	2,990
30 August 2024	1.5896	1.4100	7,516
30 September 2024	<u>6.5100</u>	<u>6.5100</u>	<u>7,981</u>
	<u>10.5957</u>	<u>9.8400</u>	<u>26,232</u>

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 12. DISTRIBUTIONS (CONT'D.)

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

The distributions declared for the financial year ended 30 November 2024 have been proposed before taking into account the net unrealised loss of USD1,998 arising during the financial year which is carried forward to the next financial year.

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

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

The Fund's TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager's fee	0.50	0.71
Trustee's fee	0.68	0.20
Fund's other expenses	0.70	0.39
Total TER	<u>1.88</u>	<u>1.30</u>

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

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

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.56 times (2023: 2.79 times).

#### 15. 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. 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.



## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 16. TRANSACTIONS WITH BROKER

Details of transactions with broker for the financial year ended 30 November 2024 are as follows:

	<b>Transaction value</b>	
	<b>USD</b>	<b>%</b>
JP Morgan Securities Ltd London	<u>792,320</u>	<u>100.00</u>

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

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

#### 17. FINANCIAL INSTRUMENTS

##### (a) Classification of financial instruments

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

	<b>Financial assets at FVTPL USD</b>	<b>Financial assets at amortised cost USD</b>	<b>Financial liabilities at amortised cost USD</b>	<b>Total USD</b>
<b>2024</b>				
<b>Financial assets</b>				
Interest receivables	-	6	-	6
Cash at banks	-	24,300	-	24,300
<b>Total financial assets</b>	<u>-</u>	<u>24,306</u>	<u>-</u>	<u>24,306</u>
<b>Financial liabilities</b>				
Amount due to				
Manager	-	-	9,284	9,284
Amount due to Trustee	-	-	394	394
<b>Total financial liabilities</b>	<u>-</u>	<u>-</u>	<u>9,678</u>	<u>9,678</u>

**AmlIncome USD Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

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

	<b>Financial assets at FVTPL USD</b>	<b>Financial assets at amortised cost USD</b>	<b>Financial liabilities at amortised cost USD</b>	<b>Total USD</b>
<b>2023</b>				
<b>Financial assets</b>				
Investments	775,946	-	-	775,946
Deposit with licensed financial institution	-	147,021	-	147,021
Cash at banks	-	11,362	-	11,362
<b>Total financial assets</b>	<b>775,946</b>	<b>158,383</b>	<b>-</b>	<b>934,329</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	9,692	9,692
Amount due to Trustee	-	-	396	396
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>10,088</b>	<b>10,088</b>
			<b>Income, expenses, gains and losses</b>	
			<b>2024</b>	<b>2023</b>
			<b>USD</b>	<b>USD</b>
Net gains from financial assets at FVTPL			274	29,056
Income, of which derived from:				
- Interest income from financial assets at FVTPL			31,101	31,827
- Interest income from financial assets at amortised cost			5,600	5,786
- Other net realised losses on foreign currency exchange			(20)	(627)
- Other net unrealised (loss)/gain on foreign currency exchange			(2)	229

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 17. 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 USD	Level 2 USD	Level 3 USD	Total USD
<b>2023</b>				
Financial assets at FVTPL	-	775,946	-	775,946

##### (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:

- Deposit with licensed financial institution
- Cash at banks
- Amount due to Manager
- 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.

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

#### 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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 Unlisted Capital Market Products under the Lodge and Launch Framework 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 rates 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	
	2024	2023
	USD	USD
+100 bps	-	(8,936)
-100 bps	-	9,128

##### (ii) Currency risk

Currency risk is associated with the Fund's financial assets and financial liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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

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

##### (ii) Currency risk (cont'd.)

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency:

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2024 USD	2023 USD
+5.00%	4	4
-5.00%	(4)	(4)

The net unhedged financial asset of the Fund that is not denominated in Fund's functional currency is as follows:

Financial asset denominated in Ringgit Malaysia	2024		2023	
	USD equivalent	% of NAV	USD equivalent	% of NAV
Cash at bank	79	0.45	86	0.01

##### (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 their 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 30 November 2023:

Credit rating	USD	As a % of debt securities	As a % of NAV
<b>2023</b>			
AA	775,946	100.00	84.11

## AmlIncome USD Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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

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

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

For deposits with licensed financial institutions, the Fund only makes placements with licensed financial institutions with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 30 November 2023;

Credit rating	USD	As a % of deposits	As a % of NAV
<b>2023</b>			
P1/MARC-1	147,021	100.00	15.94

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

##### (ii) Credit risk concentration

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 30 November 2023:

Sector	USD	As a % of debt securities	As a % of NAV
<b>2023</b>			
Finance	775,946	100.00	84.11

##### (c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, Shariah-compliant deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is always to maintain a prudent level of liquid assets so as to reduce liquidity risk.

AmlIncome USD Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund:

	Contractual cash flows (undiscounted)					
	0 – 1 year USD	1 – 2 years USD	2 – 3 years USD	3 – 4 years USD	4 – 5 years USD	More than 5 years USD
<b>2024</b>						
<b>Financial assets</b>						
Interest receivables	6	-	-	-	-	-
Cash at banks	24,300	-	-	-	-	-
<b>Total financial assets</b>	<b>24,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Amount due to Manager	9,284	-	-	-	-	-
Amount due to Trustee	394	-	-	-	-	-
<b>Total financial liabilities</b>	<b>9,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023</b>						
<b>Financial assets</b>						
Investments	16,000	808,000	-	-	-	-
Deposit with licensed financial institution	147,021	-	-	-	-	-
Cash at banks	11,362	-	-	-	-	-
<b>Total financial assets</b>	<b>174,383</b>	<b>808,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**AmlIncome USD Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

**(c) Liquidity risk (cont'd.)**

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

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1</b>	<b>1 – 2</b>	<b>2 – 3</b>	<b>3 – 4</b>	<b>4 – 5</b>	<b>More than</b>
	<b>year</b>	<b>years</b>	<b>years</b>	<b>years</b>	<b>years</b>	<b>5 years</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>2023 (cont'd.)</b>						
<b>Financial liabilities</b>						
Amount due to Manager	9,692	-	-	-	-	-
Amount due to Trustee	396	-	-	-	-	-
<b>Total financial liabilities</b>	<b>10,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(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.



## **AmlIncome USD Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

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

**(e) Regulatory risk**

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

**(f) Country risk**

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the NAV of the Fund may be adversely affected.

**(g) Management risk**

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

**(h) Non-compliance risk**

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

#### **19. CAPITAL MANAGEMENT**

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

The Fund's objectives for managing capital are:

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

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

## **AmIncome USD Fund**

### **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 USD Fund (the “Fund”) as at 30 November 2024 and of 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

17 January 2025

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMINCOME USD FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
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 Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
17 January 2025

## 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.)*

