

Quarterly Report for

AmIncome USD Fund

31 May 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of AmlIncome USD Fund ("Fund") for the financial period from 1 March 2024 to 31 May 2024.

Salient Information of the Fund

Name	AmlIncome USD Fund ("Fund")				
Category/Type	Wholesale Fixed Income / Income				
Objective	<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>				
Duration	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.				
Performance Benchmark	<p>Maybank USD Overnight Deposit Rate ("MBB USD Overnight Deposit Rate"). (Available at www.aminvest.com / www.maybank2u.com.my)</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>				
Income Distribution Policy	<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>				
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 559,488 units.				
	Size of holding	As at 31 May 2024		As at 29 February 2024	
		No of units held	Number of unitholder	No of units held	Number of unitholder
	5,000 and below	-	-	-	-
	5,001-10,000	-	-	-	-
	10,001-50,000	-	-	-	-
	50,001-500,000	-	-	-	-
	500,001 and above	559,488	1	557,211	1

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 May 2024, 29 February 2024 and for the past three financial years are as follows:				
	As at 31.05.2024 %	As at 29.02.2024 %	As at 30 November		
			2023 %	2022 %	2021 %
Foreign bonds	83.11	83.09	84.11	91.28	64.63
Money market deposits and cash equivalents	16.89	16.91	15.89	8.72	35.37
Total	100.00	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
Performance Details	Performance details of the Fund for the financial periods ended 31 May 2024, 29 February 2024 and three financial years ended 30 November are as follows:				
	FPE 31.05.2024	FPE 29.02.2024	FYE 2023	FYE 2022	FYE 2021
Net asset value (USD'000)	828	819	923	4,432	22,410
Units in circulation ('000)	559	557	627	4,742	22,437
Net asset value per unit (USD)	1.4804	1.4692	1.4709	0.9346	0.9988
Highest net asset value per unit (USD)	1.4804	1.4837	1.4910	1.0043	1.0188
Lowest net asset value per unit (USD)	1.4702	1.4692	0.6018	0.9298	0.9843
Benchmark performance (%)	1.30	1.28	4.90	1.41	0.05
Total return (%) ⁽¹⁾	0.76	0.83	57.38	-6.19	-1.20
- Capital growth (%)	0.76	-0.11	57.38	-6.43	-1.69
- Income distribution (%)	-	0.94	-	0.24	0.49
Gross distribution (cent per unit)	-	1.8032	-	0.2628	0.5000
Net distribution (cent per unit)	-	1.3900	-	0.2400	0.5000
Total expense ratio (%) ⁽²⁾	0.45	0.39	1.30	0.86	0.82
Portfolio turnover ratio (times) ⁽³⁾	-	0.05	2.79	1.07	0.67
	<i>Note:</i>				
	<i>(1) Total return is the actual return of the respective Fund for the financial periods/years computed based on the net asset value per unit and net of all fees.</i>				
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.</i>				

(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.

Average Total Return (as at 31 May 2024)

	AmlIncome USD Fund^(a) %	MBB USD Overnight Deposit Rate^(b) %
One year	59.42	5.24
Three years	13.85	2.97
Since launch (11 November 2019)	9.73	2.07

Annual Total Return

Financial Period/Years Ended (30 November)	AmlIncome USD Fund^(a) %	MBB USD Overnight Deposit Rate^(b) %
2023	57.38	4.90
2022	-6.19	1.41
2021	-1.20	0.05
2020 ^(c)	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 / 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.

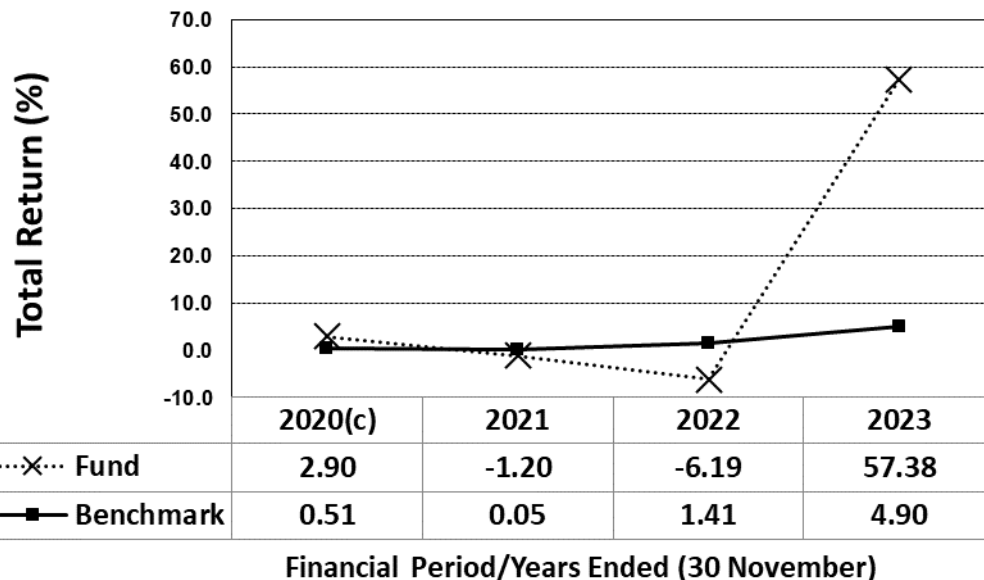
Fund Performance

For the financial period under review, the Fund registered a return of 0.76% which is entirely capital growth in nature.

Thus, the Fund’s return of 0.76% has underperformed the benchmark’s return of 1.30% by 0.54%.

As compared with the financial period ended 29 February 2024, the net asset value (“NAV”) per unit of the Fund increased by 0.76% from USD1.4692 to USD1.4804, while units in circulation increased by 0.41% from 557,211 units to 559,488 units.

The following line chart shows comparison between the annual performances of AmlIncome USD Fund and its benchmark, *Maybank USD Overnight Deposit Rate*, 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.

Strategies and Policies Employed

For the financial period 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.

The Manager may invest in collective investment schemes (CIS) that have similar investment objective of the Fund's investment objective. The Fund may also seek to invest in countries where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commission (IOSCO).

While the Fund's primary focus will be placed on USD-denominated investments, the Fund will also have the option to invest not more than 30% of the Fund's NAV in non-USD denominated investments. The manager will, however, look towards hedging these non-USD denominated investments back to USD to mitigate any currency risk.

As such, the Fund may invest in derivatives such as foreign exchange forward contract, cross currency swaps and interest rate swaps solely for hedging purposes.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 May 2024 and 29 February 2024.

	As at 31.05.2024 %	As at 29.02.2024 %	Changes %
Foreign bonds	83.11	83.09	0.02
Money market deposits and cash equivalents	16.89	16.91	-0.02
Total	100.00	100.00	

As at the end of the financial period, the Fund has invested 83.11% of its NAV in foreign bonds and remaining 16.89% of its NAV in money market deposits and cash equivalents.

Cross Trades	There were no cross trades undertaken during the financial period under review.
Distribution/ Unit splits	There is no income distribution and unit split declared for the financial period under review.
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 period under review.
Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
Market Review	<p>In March, the Asian Dollar Bond Index saw Month-on-Month (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 United States (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. The overall Asian Dollar Index, Asian Dollar IG Index and Asian Dollar Corp Index slid 1.51% MoM, 1.58% MoM and 1.14% respectively, while the Asian Dollar HY Index showed surprising resilience falling only 0.19% MoM. By country, the top-three losers in the dollar space were Indonesia (- 3.11% MoM), Philippines (-2.73% MoM) and Malaysia (-2.69%). 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 Federal Reserve (Fed) rate cuts for the year. The resulting higher United States Treasury (UST) yields raised the rate-of-return hurdle for EM assets, including for the hard currency Asian bonds. At the same time, the stronger United States Dollar (USD) resulting from repricing towards higher UST yields, also raises credit risks and economic outlook risks for EM assets. The Asia ex-Japan local currency space saw similar negative performance in dollar terms with the top three losers being the Philippines (-2.03% MoM), Thailand (-1.91% MoM) and Singapore (-1.63% MoM). The exception was China which saw a marginal gain in the onshore market at +0.43% MoM and flat performance in the offshore market, likely due to a mildly positive shift of the country's economic outlook.</p> <p>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 performance to positive territory at 0.70%. The rally was led by the high yield (HY), which saw the Asian Dollar HY Index reported a MoM gain of 2.40% with 8.62% gain YTD, followed by the Asian Investment Grade (IG) with 1.56% MoM gain and Asian Dollar Corp Index with 1.57% MoM gain.</p>

Market Outlook	May 2024 saw some important economic data points missed expectations, such as the non-farm payroll (NFP) and core PCE albeit still mixed, which led to the rally in the United States Treasuries (UST) and weakening of the dollar. However, market is still uncertain about the direction with rate cut expectations remained unchanged at 1 to 2 cuts in 2024. We expect the UST to remain range bound for the time being based on assumption that easing inflation trend in United States (US) will continue. The expected stable UST market and the still healthy credit spreads should continue to support the Asian Dollar Bond market.
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Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 July 2024

AmlIncome USD Fund

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024

	31.05.2024 (unaudited) USD	30.11.2023 (audited) USD
ASSETS		
Investments	688,365	775,946
Deposit with licensed financial institution	136,020	147,021
Tax recoverable	6,740	2,088
Cash at banks	10,529	11,362
TOTAL ASSETS	841,654	936,417
LIABILITIES		
Amount due to Manager	9,655	9,692
Amount due to Trustee	408	396
Sundry payables and accruals	3,320	3,814
TOTAL LIABILITIES	13,383	13,902
NET ASSET VALUE ("NAV") OF THE FUND	828,271	922,515
EQUITY		
Unit holders' capital	1,504,618	1,605,036
Accumulated losses	(676,347)	(682,521)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	828,271	922,515
UNITS IN CIRCULATION	559,488	627,181
NAV PER UNIT (USD)	1.4804	1.4709

AmlIncome USD Fund

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 31 MAY 2024

	Note	01.03.2024 to 31.05.2024 USD	01.03.2023 to 31.05.2023 USD
INVESTMENT INCOME			
Interest income		10,973	11,192
Net (loss)/gain from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	1	(940)	5,944
Other net realised losses on foreign currency exchange		(15)	(19)
Other net unrealised loss on foreign currency exchange		-	(386)
		<u>10,018</u>	<u>16,731</u>
EXPENDITURE			
Manager's fee		(1,039)	(2,221)
Trustee's fee		(1,210)	(603)
Audit fee		(431)	(458)
Tax agent's fee		(178)	(189)
Other expenses		(875)	(954)
		<u>(3,733)</u>	<u>(4,425)</u>
Net income before taxation		6,285	12,306
Taxation		-	(4,793)
Net income after taxation, representing total comprehensive income for the financial period		<u>6,285</u>	<u>7,513</u>
Total comprehensive income comprises the following:			
Realised income/(loss)		7,225	(54,122)
Unrealised (loss)/gain		(940)	61,635
		<u>6,285</u>	<u>7,513</u>

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

AmlIncome USD Fund

STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 31 MAY 2024

	Unit holders' capital USD	Accumulated losses USD	Total equity USD
At 1 March 2024	1,501,285	(682,632)	818,653
Total comprehensive income for the financial period	-	6,285	6,285
Creation of units	818	-	818
Reinvestment of distribution	7,745	-	7,745
Cancellation of units	(5,230)	-	(5,230)
Balance at 31 May 2024	<u>1,504,618</u>	<u>(676,347)</u>	<u>828,271</u>
At 1 March 2023	3,079,396	(686,947)	2,392,449
Total comprehensive income for the financial period	-	7,513	7,513
Cancellation of units	(2,124,414)	-	(2,124,414)
Balance at 31 May 2023	<u>954,982</u>	<u>(679,434)</u>	<u>275,548</u>

AmlIncome USD Fund

STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 31 MAY 2024

	01.03.2024 to 31.05.2024 USD	01.03.2023 to 31.05.2023 USD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	-	2,000,026
Purchases of investments	-	(265,625)
Other net realised losses on foreign currency exchange	(15)	(19)
Interest received	1,900	34,340
Manager's fee paid	(1,011)	(3,185)
Trustee's fee paid	(1,183)	(584)
Tax paid	(2,801)	(4,684)
Payments for other expenses	(2,578)	(2,773)
Net cash (used in)/generated from operating and investing activities	<u>(5,688)</u>	<u>1,757,496</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	818	-
Payments for cancellation of units	(5,230)	(2,124,414)
Net cash used in financing activities	<u>(4,412)</u>	<u>(2,124,414)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,100)	(366,918)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>156,649</u>	<u>538,415</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>146,549</u>	<u>171,497</u>
Cash and cash equivalents comprise:		
Deposit with a licensed financial institution	136,020	160,022
Cash at banks	10,529	11,475
	<u>146,549</u>	<u>171,497</u>

AmlIncome USD Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 31 MAY 2024**

1. NET (LOSS)/GAIN FROM INVESTMENTS

	01.03.2024 to 31.05.2024 USD	01.03.2023 to 31.05.2023 USD
Net (loss)/gain on financial assets at FVTPL comprised:		
- Net realised loss on sale of investments	-	(56,077)
- Net unrealised (loss)/gain on changes in fair value of investments	(940)	62,021
	<u>(940)</u>	<u>5,944</u>

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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.)*

