

Annual Report for

AmIncome Value

31 December 2023



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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

Board of Directors

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

Investment Committee

Arnold Lim Boon Lay
Tracy Chen Wee Keng
Goh Wee Peng

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

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

Salient Information of the Fund

Name	<p>AmlIncome Value ("Fund")</p> <p><i>"Income" depicts that the Fund will invest predominantly in fixed income instruments which is aligned with the fund's objective and strategy.</i></p> <p><i>"Value" means that the Fund will grow in its intrinsic worth as time goes by because its objective is to achieve steady growth from the capital appreciation and income received from the securities coupon (without distribution) by investing in fixed income instruments.</i></p>																																					
Category/ Type	Wholesale Fixed Income / Growth																																					
Objective	<p>The Fund aims to provide steady growth by investing in Short to Medium term fixed income instruments, fixed deposits and other permitted investments.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>																																					
Duration	<p>The Fund was established on 15 September 2010 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.</p>																																					
Performance Benchmark	<p>Quantshop 1-5 years MGS Index plus 50 basis points (over 3 year rolling period) ("MGS") (Available at www.aminvest.com)</p>																																					
Income Distribution Policy	<p>Income distribution (if any) will be reinvested.</p>																																					
Breakdown of Unit Holdings by Size	<p>For the financial year under review, the size of the Fund stood at 174,558,400 units.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #e0e0e0;">Size of holding</th> <th colspan="2" style="background-color: #e0e0e0;">As at 31 December 2023</th> <th colspan="2" style="background-color: #e0e0e0;">As at 31 December 2022</th> </tr> <tr> <th style="background-color: #e0e0e0;">No of units held</th> <th style="background-color: #e0e0e0;">Number of unitholder</th> <th style="background-color: #e0e0e0;">No of units held</th> <th style="background-color: #e0e0e0;">Number of unitholder</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>5,001-10,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>10,001-50,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>50,001-500,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>500,001 and above</td> <td style="text-align: right;">174,558,400</td> <td style="text-align: right;">1</td> <td style="text-align: right;">169,777,807</td> <td style="text-align: right;">1</td> </tr> </tbody> </table>				Size of holding	As at 31 December 2023		As at 31 December 2022		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	174,558,400	1	169,777,807	1
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Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 December are as follows:			
		As at 31 December		
		2023 %	2022 %	2021 %
	Corporate bonds	95.18	88.50	81.60
	Malaysian government bonds	-	8.24	13.36
	Money market deposits and cash equivalents	4.82	3.26	5.04
Total	100.00	100.00	100.00	
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 December are as follows:			
		FYE 2023	FYE 2022	FYE 2021
	Net asset value (RM)*	179,779,911	167,636,257	163,015,788
	Units in circulation*	174,558,400	169,777,807	164,663,935
	Net asset value per unit (RM)*	1.0299	0.9874	0.9900
	Highest net asset value per unit (RM)*	1.0330	0.9920	1.0462
	Lowest net asset value per unit (RM)*	0.9894	0.9710	0.9888
	Benchmark performance (%)	4.79	2.07	1.00
	Total return (%) ⁽¹⁾	7.23	2.88	0.52
	- Capital growth (%)	4.37	-0.20	-4.95
	- Income distribution (%)	2.86	3.08	5.47
	Gross distribution (sen per unit)	2.82	3.05	5.70
	Net distribution (sen per unit)	2.82	3.05	5.70
	Total expense ratio (%) ⁽²⁾	0.25	0.25	0.23
	Portfolio turnover ratio (times) ⁽³⁾	0.41	0.47	0.62
	* Above prices and net asset value per unit are shown as ex-distribution.			
	<i>Note:</i>			
	<i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.</i>			
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.</i>			
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The decrease in the PTR for 2023 and 2022 were due mainly to investing activities.</i>			

Average Total Return (as at 31 December 2023)

	AmlIncome Value^(a) %	MGS^(b) %
One year	7.23	4.79
Three years	3.51	2.61
Five years	4.81	3.95
Ten years	4.71	4.08

Annual Total Return

Financial Years Ended (31 December)	AmlIncome Value^(a) %	MGS^(b) %
2023	7.23	4.79
2022	2.88	2.07
2021	0.52	1.00
2020	6.27	6.35
2019	7.31	5.63

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

(b) Quantshop 1-5 years MGS Index plus 50 basis points (over 3 years rolling period) ("MGS"). (Available at www.aminvest.com)

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

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

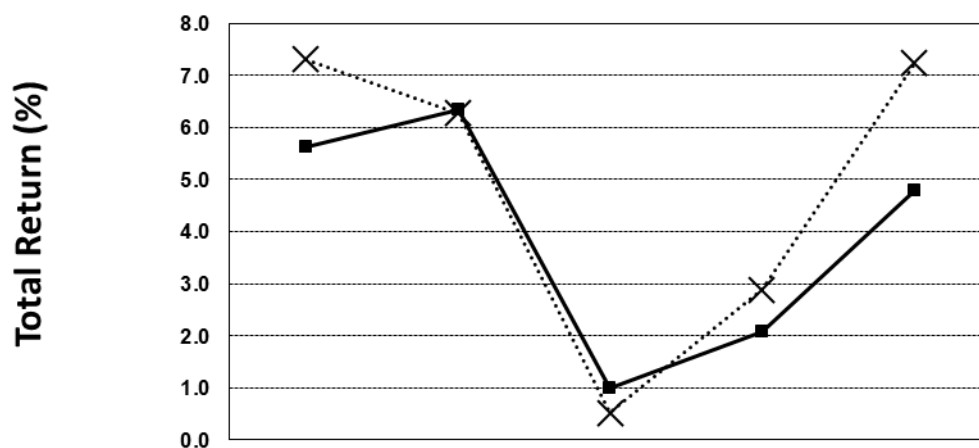
Fund Performance

For the financial year under review, the Fund registered a return of 7.23% comprising of 4.37% capital growth and 2.86% income distribution.

Thus, the Fund's return of 7.23% has outperformed the benchmark's return of 4.79% by 2.44%.

As compared with the financial year ended 31 December 2022, the net asset value ("NAV") per unit of the Fund increased by 4.30% from RM0.9874 to RM1.0299, while units in circulation increased by 2.82% from 169,777,807 units to 174,558,400 units.

The following line chart shows comparison between the annual performances of AmlIncome Value and its benchmark, MGS, for the financial years ended 31 December.



	2019	2020	2021	2022	2023
...X... Fund	7.31	6.27	0.52	2.88	7.23
—■— Benchmark	5.63	6.35	1.00	2.07	4.79

Financial Years Ended (31 December)

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?	The Fund has achieved its objective of providing steady growth by investing in Short to Medium term fixed income instruments, fixed deposits and other permitted investments.																				
Strategies and Policies Employed	The Fund aims to optimize return through investing in Short to Medium term domestic fixed income instruments with minimum short-term local credit rating of P2 (by RAM) or its equivalent as rated by a local rating agency or long-term credit rating of A3 (by RAM) or its equivalent as rated by a local rating agency.																				
Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 December 2023 and 31 December 2022.</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31.12.2023 %</th> <th>As at 31.12.2022 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td>95.18</td> <td>88.50</td> <td>6.68</td> </tr> <tr> <td>Malaysian government bonds</td> <td>-</td> <td>8.24</td> <td>-8.24</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>4.82</td> <td>3.26</td> <td>1.56</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>As at 31 December 2023, the Fund is 95.18% invested in corporate bonds with the remaining 4.82% of its NAV in money market deposits and cash equivalents.</p>		As at 31.12.2023 %	As at 31.12.2022 %	Changes %	Corporate bonds	95.18	88.50	6.68	Malaysian government bonds	-	8.24	-8.24	Money market deposits and cash equivalents	4.82	3.26	1.56	Total	100.00	100.00	
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Total	100.00	100.00																			
Cross Trade	There were no cross trades undertaken during the financial year under review.																				

Distribution/ Unit Splits	<p>During the financial year under review, the Fund declared income distributions, detailed as follows:</p> <table border="1" data-bbox="357 215 1461 669"> <thead> <tr> <th data-bbox="357 215 571 315">Date of distributions</th> <th data-bbox="571 215 892 315">Distributions per unit RM (sen)</th> <th data-bbox="892 215 1197 315">NAV per unit Cum-Distributions (RM)</th> <th data-bbox="1197 215 1461 315">NAV per unit Ex-Distributions (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="357 315 571 349">31-Jan-23</td> <td data-bbox="571 315 892 349">0.24</td> <td data-bbox="892 315 1197 349">1.0002</td> <td data-bbox="1197 315 1461 349">0.9978</td> </tr> <tr> <td data-bbox="357 349 571 383">28-Feb-23</td> <td data-bbox="571 349 892 383">0.15</td> <td data-bbox="892 349 1197 383">1.0013</td> <td data-bbox="1197 349 1461 383">0.9998</td> </tr> <tr> <td data-bbox="357 383 571 416">31-Mar-23</td> <td data-bbox="571 383 892 416">0.47</td> <td data-bbox="892 383 1197 416">1.0062</td> <td data-bbox="1197 383 1461 416">1.0015</td> </tr> <tr> <td data-bbox="357 416 571 450">28-Apr-23</td> <td data-bbox="571 416 892 450">0.32</td> <td data-bbox="892 416 1197 450">1.0085</td> <td data-bbox="1197 416 1461 450">1.0053</td> </tr> <tr> <td data-bbox="357 450 571 483">31-Jul-23</td> <td data-bbox="571 450 892 483">0.63</td> <td data-bbox="892 450 1197 483">1.0213</td> <td data-bbox="1197 450 1461 483">1.0150</td> </tr> <tr> <td data-bbox="357 483 571 517">30-Aug-23</td> <td data-bbox="571 483 892 517">0.05</td> <td data-bbox="892 483 1197 517">1.0196</td> <td data-bbox="1197 483 1461 517">1.0191</td> </tr> <tr> <td data-bbox="357 517 571 551">29-Sep-23</td> <td data-bbox="571 517 892 551">0.18</td> <td data-bbox="892 517 1197 551">1.0197</td> <td data-bbox="1197 517 1461 551">1.0179</td> </tr> <tr> <td data-bbox="357 551 571 584">31-Oct-23</td> <td data-bbox="571 551 892 584">0.27</td> <td data-bbox="892 551 1197 584">1.0138</td> <td data-bbox="1197 551 1461 584">1.0111</td> </tr> <tr> <td data-bbox="357 584 571 618">30-Nov-23</td> <td data-bbox="571 584 892 618">0.17</td> <td data-bbox="892 584 1197 618">1.0251</td> <td data-bbox="1197 584 1461 618">1.0234</td> </tr> <tr> <td data-bbox="357 618 571 651">29-Dec-23</td> <td data-bbox="571 618 892 651">0.34</td> <td data-bbox="892 618 1197 651">1.0331</td> <td data-bbox="1197 618 1461 651">1.0297</td> </tr> </tbody> </table> <p data-bbox="357 703 1197 736">There is no unit split declared for the financial year under review.</p>	Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)	31-Jan-23	0.24	1.0002	0.9978	28-Feb-23	0.15	1.0013	0.9998	31-Mar-23	0.47	1.0062	1.0015	28-Apr-23	0.32	1.0085	1.0053	31-Jul-23	0.63	1.0213	1.0150	30-Aug-23	0.05	1.0196	1.0191	29-Sep-23	0.18	1.0197	1.0179	31-Oct-23	0.27	1.0138	1.0111	30-Nov-23	0.17	1.0251	1.0234	29-Dec-23	0.34	1.0331	1.0297
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State of Affairs	<p>There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholder during the financial year under review.</p>																																												
Rebates and Soft Commission	<p>During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>																																												
Market Review	<p>The domestic bond market experienced a strong year in 2023. Overall, Malaysian Government Securities (MGS) yield curve bull flattened, with yields declining by 19-32bps across the curve in 2023. Apart from the significant foreign inflows of MYR23.6 billion in Malaysia debt securities, the bullish movements were driven by strong domestic market liquidity which flowed into the bond market after adopting a cautious stance in 2022. This was supported by market expectation of extended pause in Bank Negara Malaysia's (BNM) Overnight Policy Rate (OPR) at 3.00% as well as the narrative that the Federal Reserve's period of rate tightening may be over after hiking 100bps in the first 7 months, bringing the Federal Reserve Fund Rate (upper bound) to 5.50%. The disinflationary trend in United States (US) and the dovish statement by the Federal Open Market Committee (FOMC) in December 2023 have also led the market to believe that the Federal Reserve may be cutting rates as early as March 2024. Overall, United States Treasuries (UST) saw the front-end yields declining by 8-22bps while the long-end part of the curve remained unchanged on year-on-year basis.</p> <p>The domestic bond market's trajectory has not been a straight-forward, one-way street throughout the year. It started the year on a positive note, with significant yield movements came after BNM surprising the market with a hold on the OPR at 2.75% in January 2023. The market was further supported by concerns over global financial stability stemming from the failures of three United States (US) regional banks and the government-brokered takeover of Credit Suisse by UBS in March 2023. However, the subsequent lack of catalyst in the domestic market sent MGS yields to slowly drift higher as global bond market sentiment weakened when the "higher for longer" narrative in US took center stage again. Finally, Malaysia's bond market sentiments took a hit when both 10-year and 30-year UST briefly touched the 5.00% psychological level, bringing MGS yields to levels observed at the beginning of the year in October 2023. However, the sentiment in the local bond market swiftly shifted to a positive stance in November 2023, buoyed by rally in UST on the back of a slew of underwhelming macro data releases and the Israel-</p>																																												

	<p>Hamas crisis. Domestic bond market further rallied in December 2023, tracking United States Treasury (UST) movements which were driven by aggressive pricing for rate cuts in 2024 following dovish guidance from the last Federal Open Market Committee (FOMC) of the year.</p> <p>In line with the strong government bond market, domestic corporate bonds picked up robust demand as local investors aggressively pursuing yields. This led to tightening of credit spreads across the curve, with credit spreads of AAA-rated and AA3-rated corporate bonds narrowing about 25 and 27bps to an average 29bps and 73bps respectively in 2023. The 2023 trading volume of the Malaysia Government Securities (MGS) and Government Investment Issue (GII) increased by 30.0% y-o-y to MYR832.5 billion while corporate and quasi-sovereign bonds increased by 60.6% to MYR147.7 billion.</p>
<p>Market Outlook</p>	<p>The outlook for 2024 appears increasingly to gravitate towards possible rate cuts in the United States (US) and the worse appears to be over for bond markets. Indeed, the sharp fall in yields in the bond rally at the end of 2023 is evident of the fact that US bond investors, who have endured a volatile past 2 years are now positioning themselves for a more favourable year ahead.</p> <p>On the domestic front, Bank Negara Malaysia (BNM) continues to maintain an accommodative monetary policy and in the absence of any inflationary pressures will likely stand pat for the first half of 2024. The local bond yield curve has similarly shifted lower at the end of 2023 and it is unlikely that we will experience the sharp spike in yields.</p>
<p>Additional Information</p>	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 2) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 3) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023. 4) The Fourth Supplementary Information Memorandum in respect of AmIncome Value dated 31 January 2024 (the "Fourth Supplementary Information Memorandum") has been lodged with Securities Commission Malaysia is to be read in conjunction with the Replacement Information. The Fourth Supplementary Information Memorandum is issued to include the following, but is not limited to: <ul style="list-style-type: none"> • the update made to the registration number of the "Manager" and the "Trustee"; • the update on Corporate Directory of Trustee; • the deletion of "GST" and "GST Law" and change to disclosure in relation to GST;

- | | |
|--|--|
| | <ul style="list-style-type: none">• the update made to the information on “The Management Company” and “Trustee”;• the update made to the sections in Related Party Transactions or Conflict of Interest and Additional Information; and• other updates which are general in nature. |
|--|--|

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 February 2024

Independent auditors' report to the unit holder of AmlIncome Value

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmlIncome Value (the "Fund"), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager is responsible for the other information. The other information comprises the information in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent auditors' report to the unit holder of
AmlIncome Value (cont'd.)**

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

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

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

Responsibilities of the Manager and the Trustees for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance 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 holder of
AmlIncome Value (cont'd.)**

Auditor's responsibilities for the audit of the financial statements (cont'd.)

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

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

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

**Independent auditors' report to the unit holder of
AmlIncome Value (cont'd.)**

Other matters

This report is made solely to the unit holder of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Ng Sue Ean
No. 03276/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
19 February 2024

AmlIncome Value

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

	Note	2023 RM	2022 RM
ASSETS			
Investments	4	171,118,600	162,169,620
Deposit with a licensed financial institution	5	9,292,329	6,046,464
Cash at bank		10,853	10,893
TOTAL ASSETS		<u>180,421,782</u>	<u>168,226,977</u>
LIABILITIES			
Amount due to Manager	6	32,470	32,120
Amount due to Trustee	7	6,102	5,511
Distribution payable		593,499	543,289
Sundry payables and accruals		9,800	9,800
TOTAL LIABILITIES		<u>641,871</u>	<u>590,720</u>
NET ASSET VALUE (“NAV”) OF THE FUND		<u>179,779,911</u>	<u>167,636,257</u>
EQUITY			
Unit holder’s capital	9(a)	174,234,944	169,423,047
Retained earnings/(Accumulated losses)	9(b)(c)	5,544,967	(1,786,790)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDER	9	<u>179,779,911</u>	<u>167,636,257</u>
UNITS IN CIRCULATION	9(a)	<u>174,558,400</u>	<u>169,777,807</u>
NAV PER UNIT (RM) - EX-DISTRIBUTION		<u>1.0299</u>	<u>0.9874</u>

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

AmlIncome Value

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

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Interest income		7,575,599	6,323,393
Net gain/(loss) from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	8	<u>5,051,590</u>	<u>(1,212,586)</u>
		<u>12,627,189</u>	<u>5,110,807</u>
EXPENDITURE			
Manager's fee	6	(350,181)	(328,533)
Trustee's fee	7	(70,036)	(65,706)
Audit fee		(6,500)	(6,500)
Tax agent's fee		(3,300)	(3,300)
Other expenses		<u>(3,308)</u>	<u>(4,069)</u>
		<u>(433,325)</u>	<u>(408,108)</u>
Net income before taxation		12,193,864	4,702,699
Taxation	11	<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial year		<u>12,193,864</u>	<u>4,702,699</u>
Total comprehensive income comprises the following:			
Realised income		7,184,990	5,135,570
Unrealised gain/(loss)		<u>5,008,874</u>	<u>(432,871)</u>
		<u>12,193,864</u>	<u>4,702,699</u>
Distributions for the financial year			
Net distributions	12	<u>4,862,107</u>	<u>5,108,090</u>
Gross distributions per unit (sen)	12	<u>2.82</u>	<u>3.05</u>
Net distributions per unit (sen)	12	<u>2.82</u>	<u>3.05</u>

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

AmlIncome Value

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

	Note	Unit holder's capital RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
At 1 January 2023		169,423,047	(1,786,790)	167,636,257
Total comprehensive income for the financial year		-	12,193,864	12,193,864
Reinvestment of distributions	9(a)	4,811,897	-	4,811,897
Distributions	12	-	(4,862,107)	(4,862,107)
Balance at 31 December 2023		<u>174,234,944</u>	<u>5,544,967</u>	<u>179,779,911</u>
At 1 January 2022		164,397,187	(1,381,399)	163,015,788
Total comprehensive income for the financial year		-	4,702,699	4,702,699
Reinvestment of distributions	9(a)	5,025,860	-	5,025,860
Distributions	12	-	(5,108,090)	(5,108,090)
Balance at 31 December 2022		<u>169,423,047</u>	<u>(1,786,790)</u>	<u>167,636,257</u>

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

AmlIncome Value

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

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		69,556,500	71,957,725
Purchase of investments		(73,658,950)	(81,250,069)
Interest received		7,780,659	7,025,844
Manager's fee paid		(349,831)	(327,736)
Trustee's fee paid		(69,445)	(65,744)
Tax agent's fee paid		(3,300)	(3,300)
Payments for other expenses		(9,808)	(10,070)
Net cash generated from/(used in) operating and investing activities		<u>3,245,825</u>	<u>(2,673,350)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,245,825	(2,673,350)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>6,057,357</u>	<u>8,730,707</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>9,303,182</u>	<u>6,057,357</u>
Cash and cash equivalents comprise:			
Deposit with a licensed financial institution	5	9,292,329	6,046,464
Cash at bank		<u>10,853</u>	<u>10,893</u>
		<u>9,303,182</u>	<u>6,057,357</u>

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

AmIncome Value

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

1. GENERAL INFORMATION

AmIncome Value (the “Fund”) was established pursuant to a Deed dated 7 September 2010 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and the unit holder.

The Fund was set up with the objective of providing steady growth by investing in short to medium-term fixed income instruments, fixed deposits and other permitted investments in the Deeds. As provided in the Deeds, the financial year shall end on 31 December and the units in the Fund were first offered for sale on 15 September 2010.

The financial statements were authorised for issue by the Manager on 19 February 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Standards effective during the financial year

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

Description	Effective for financial periods beginning on or after
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

Standards issued but not yet effective

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

AmlIncome Value

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

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

Standards issued but not yet effective (cont'd.)

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 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.

(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

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.

AmlIncome Value

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

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

3.2 Income tax

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

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

3.3 Functional and presentation currency

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

3.4 Statement of cash flows

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

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

3.5 Distribution

Distribution are at the discretion of the Manager. A distribution to the Fund's unit holder 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 holder on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

3.6 Unit holder's capital

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

3.7 Financial assets – initial recognition and measurement

(i) Initial recognition

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

AmlIncome Value

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

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

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

(iii) “Day 1” profit or loss

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

3.8 Financial assets – classification and subsequent measurement

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

Business model

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

Cash flow characteristics

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

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

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

3.9 Financial assets under MFRS 9

Classification and measurement

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

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified date 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, dividend/distribution receivables, amount due from Manager, amount due from Target Fund Manager, amount due from brokers/financial institutions 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.

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".

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

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

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

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

Financial assets at FVTPL (cont'd)

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

3.10 Financial liabilities – classification and subsequent measurement

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

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:
 - 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.

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

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

3.12 Financial instruments – expected credit losses (“ECL”) (cont'd.)

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

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 holder's 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.

AmlIncome Value

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

4. INVESTMENTS

	2023 RM	2022 RM
Financial assets at FVTPL		
At nominal value:		
Corporate bonds	163,500,000	145,500,000
Malaysian government bonds	-	14,000,000
	<u>163,500,000</u>	<u>159,500,000</u>
At fair value:		
Corporate bonds	171,118,600	148,358,154
Malaysian government bonds	-	13,811,466
	<u>171,118,600</u>	<u>162,169,620</u>

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

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds						
14.06.2024	Hong Leong Financial Group Berhad	AA	6,000,000	6,023,463	6,034,269	3.35
28.06.2024	BGSM Management Sdn. Bhd.	AA	3,500,000	3,530,825	3,511,513	1.96
02.12.2025	Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd.	AA	5,000,000	5,057,719	5,029,102	2.81
27.02.2026	Malaysian Resources Corporation Berhad	AA	2,000,000	2,056,492	2,036,861	1.14
18.03.2026	Mercedes-Benz Services Malaysia Sdn. Bhd.	AAA	2,500,000	2,513,859	2,526,034	1.40

AmlIncome Value

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

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 December 2023 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
26.06.2026	Toyoto Capital Malaysia Sdn. Bhd.	AAA	3,000,000	3,053,660	3,037,088	1.70
05.08.2026	Malayan Banking Berhad	AA	1,500,000	1,497,620	1,520,600	0.83
11.11.2026	YTL Corporation Berhad	AA	5,000,000	5,115,844	5,034,222	2.85
05.07.2027	Edra Energy Sdn. Bhd.	AA	2,000,000	2,179,106	2,169,906	1.21
03.09.2027	YTL Power International Berhad	AA	3,000,000	3,154,368	3,053,774	1.75
02.12.2027	CIMB Group Holdings Berhad	AA	3,000,000	3,107,032	3,093,103	1.73
02.12.2027	Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd.	AA	7,500,000	7,619,729	7,828,903	4.24
20.01.2028	Toyota Capital Malaysia Sdn. Bhd.	AAA	1,000,000	1,041,244	1,038,041	0.58
23.06.2028	S P Setia Berhad	AA	5,000,000	5,061,625	5,003,625	2.82
11.07.2028	GENM Capital Berhad	AA	15,000,000	15,691,886	15,716,871	8.73
27.07.2028	Sarawak Petchem Sdn. Bhd.	AAA	5,000,000	5,328,336	5,108,436	2.96
07.03.2029	Point Zone (M) Sdn. Bhd.	AA	2,000,000	2,079,591	2,029,111	1.16

AmlIncome Value

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

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 December 2023 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
30.03.2029	YTL Power International Berhad	AA	3,000,000	3,127,075	3,040,300	1.74
20.04.2029	S P Setia Berhad	AA	6,000,000	6,193,237	6,070,912	3.44
29.06.2029	PONSB Capital Berhad	AA	7,500,000	7,897,473	7,621,687	4.39
27.07.2029	Sarawak Petchem Sdn. Bhd.	AAA	5,000,000	5,371,801	5,109,301	2.99
09.11.2029	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	3,000,000	3,208,754	3,027,909	1.79
29.11.2029	ANIH Berhad	AA	5,000,000	5,533,501	5,653,335	3.08
30.11.2029	MMC Corporation Berhad	AA	7,000,000	7,398,820	7,050,428	4.12
22.02.2030	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	2,500,000	2,610,997	2,547,618	1.45
13.03.2030	Point Zone (M) Sdn. Bhd.	AA	4,000,000	4,187,817	4,056,537	2.33
05.07.2030	Edra Energy Sdn. Bhd.	AA	2,000,000	2,271,782	2,200,709	1.26
05.07.2030	Johor Corporation	AAA	5,000,000	5,254,467	5,109,116	2.92
26.07.2030	Sarawak Petchem Sdn. Bhd.	AAA	4,500,000	4,872,210	4,761,717	2.71

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

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 December 2023 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Corporate bonds (cont'd.)						
12.08.2030	Gamuda Land (T12) Sdn. Bhd.	AA	2,000,000	1,998,478	2,029,918	1.11
29.11.2030	CIMB Islamic Bank Berhad	AAA	5,000,000	5,054,693	5,018,893	2.81
30.06.2032	Tenaga Nasional Berhad	AAA	5,000,000	5,298,989	5,093,185	2.95
12.01.2033	Projek Lebuhraya Usahasama Berhad	AAA	15,000,000	16,180,563	15,499,693	9.00
29.03.2033	TNB Power Generation Sdn. Bhd.	AAA	5,000,000	5,295,025	5,058,975	2.95
26.10.2033	SMJ Sdn. Bhd.	AAA	5,000,000	5,250,519	5,041,669	2.92
Total corporate bonds			163,500,000	171,118,600	167,763,361	95.18
Total financial assets at FVTPL			163,500,000	171,118,600	167,763,361	95.18
Excess of fair value over adjusted cost				3,355,239		

The weighted average effective yield on investments are as follows:

	Effective yield	
	2023 %	2022 %
Corporate bonds	4.16	4.64
Malaysian government bonds	-	4.09

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

4. INVESTMENTS (CONT'D.)

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

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
2023			
At nominal value:			
Corporate bonds	9,500,000	60,500,000	93,500,000
2022			
At nominal value:			
Corporate bonds	15,000,000	56,000,000	74,500,000
Malaysian government bonds	-	-	14,000,000

5. DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	2023 RM	2022 RM
At nominal value:		
Short-term deposit	9,290,000	6,046,000
At carrying value:		
Short-term deposit	9,292,329	6,046,464

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
2023				
Short-term deposit				
02.01.2024	Public Bank Berhad	9,290,000	9,292,329	5.17

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	
	2023 %	2022 %	2023 Days	2022 Days
Long-term deposit	3.05	2.80	2	3

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

6. AMOUNT DUE TO MANAGER

	2023 RM	2022 RM
Due to Manager		
Manager's fee payable	<u>32,470</u>	<u>32,120</u>

Manager's fee is at a rate of 0.20% (2022: 0.20%) per annum on the NAV of the Fund, calculated on a daily basis.

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

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2022: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

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

8. NET GAIN/(LOSS) FROM INVESTMENTS

	2023 RM	2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of investments	42,716	(779,715)
- Net unrealised gain/(loss) on changes in fair value of investments	<u>5,008,874</u>	<u>(432,871)</u>
	<u>5,051,590</u>	<u>(1,212,586)</u>

9. TOTAL EQUITY

Total equity is represented by:

	Note	2023 RM	2022 RM
Unit holder's capital	(a)	174,234,944	169,423,047
Retained earnings/(Accumulated losses)			
- Realised income/(loss)	(b)	2,189,728	(133,155)
- Unrealised gain/(loss)	(c)	<u>3,355,239</u>	<u>(1,653,635)</u>
		<u>179,779,911</u>	<u>167,636,257</u>

AmIncome Value

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

9. TOTAL EQUITY (CONT'D.)

(a) Unit holder's capital/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	169,777,807	169,423,047	164,663,935	164,397,187
Reinvestment of distributions	4,780,593	4,811,897	5,113,872	5,025,860
At end of the financial year	<u>174,558,400</u>	<u>174,234,944</u>	<u>169,777,807</u>	<u>169,423,047</u>

(b) Realised – distributable

	2023 RM	2022 RM
At beginning of the financial year	(133,155)	(160,635)
Net realised income for the financial year	7,184,990	5,135,570
Less: Distributions out of realised income	<u>(4,862,107)</u>	<u>(5,108,090)</u>
At end of the financial year	<u>2,189,728</u>	<u>(133,155)</u>

(c) Unrealised – non-distributable

	2023 RM	2022 RM
At beginning of the financial year	(1,653,635)	(1,220,764)
Net unrealised gain/(loss) for the financial year	<u>5,008,874</u>	<u>(432,871)</u>
At end of the financial year	<u>3,355,239</u>	<u>(1,653,635)</u>

10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties

AmFunds Management Berhad
AmInvestment Bank Berhad
AMMB Holdings Berhad ("AMMB")
Subsidiaries and associates of AMMB as disclosed in its financial statements

Relationships

The Manager
Holding company of the Manager
Ultimate holding company of the Manager
Subsidiaries and associate companies of the ultimate holding company of the Manager

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

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

11. TAXATION

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

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

	2023	2022
	RM	RM
Net income before taxation	12,193,864	4,702,699
Taxation at Malaysian statutory rate of 24% (2022: 24%)	2,926,527	1,128,648
Tax effects of:		
Income not subject to tax	(3,059,459)	(1,517,614)
Losses not allowed for tax deduction	28,934	291,021
Restriction on tax deductible expenses for unit trust fund	77,048	72,409
Non-permitted expenses for tax purposes	18,389	17,491
Permitted expenses not used and not available for future financial years	8,561	8,045
Tax expense for the financial year	-	-

12. DISTRIBUTIONS

Details of distributions to unit holder for the financial years are as follows:

	2023	2022
	RM	RM
Gross distributions per unit (sen)	2.82	3.05
Net distributions per unit (sen)	2.82	3.05

Financial year ended 31 December 2023

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
31 January 2023	0.24	0.24	408,787
28 February 2023	0.15	0.15	256,107
31 March 2023	0.47	0.47	803,671
28 April 2023	0.32	0.32	549,748
31 July 2023	0.63	0.63	1,085,762
30 August 2023	0.05	0.05	86,707
29 September 2023	0.18	0.18	312,296
31 October 2023	0.27	0.27	469,273
30 November 2023	0.17	0.17	296,257
29 December 2023	0.34	0.34	593,499
	2.82	2.82	4,862,107

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

12. DISTRIBUTIONS (CONT'D.)

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

Financial year ended 31 December 2022

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
31 January 2022	0.25	0.25	412,824
28 February 2022	0.25	0.25	413,867
31 March 2022	0.30	0.30	497,895
29 April 2022	0.26	0.26	432,823
31 May 2022	0.30	0.30	500,743
30 June 2022	0.14	0.14	234,399
29 July 2022	0.10	0.10	167,668
30 August 2022	0.34	0.34	570,649
30 September 2022	0.16	0.16	269,467
31 October 2022	0.30	0.30	506,076
30 November 2022	0.33	0.33	558,390
30 December 2022	0.32	0.32	543,289
	3.05	3.05	5,108,090
		2023 RM	2022 RM
Total amount available for distribution		2,189,728	-

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 31 December 2022 have been proposed before taking into account the net unrealised loss of RM432,871 arising during the financial year which is carried forward to the next financial year.

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

13. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	2023	2022
	% p.a.	% p.a.
Manager’s fee	0.20	0.20
Trustee’s fee	0.04	0.04
Fund’s other expenses	0.01	0.01
Total TER	<u>0.25</u>	<u>0.25</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 0.41 times (2022: 0.47 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 in Malaysia. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence, the Fund does not have a separately identifiable business or geographical segments.

16. TRANSACTIONS WITH BROKERS

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

Brokers	Transaction value	
	RM	%
Public Bank Berhad	1,413,482,000	91.63
CIMB Bank Berhad	27,888,256	1.81
AmBank (M) Berhad*	26,977,508	1.75
RHB Investment Bank Berhad	22,232,776	1.44
Hong Leong Bank Berhad	20,215,555	1.31
AmBank Islamic Berhad*	12,103,968	0.79
Malayan Banking Berhad	9,531,419	0.62
United Overseas Bank (Malaysia) Bhd.	5,120,799	0.33
HSBC Bank Malaysia Berhad	5,000,000	0.32
Total	<u>1,542,552,281</u>	<u>100.00</u>

* A financial institution related to the Manager.

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

16. TRANSACTIONS WITH BROKERS (CONT'D.)

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 and money market deposits. 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.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2023				
Assets				
Investments	171,118,600	-	-	171,118,600
Deposit with a licensed financial institution	-	9,292,329	-	9,292,329
Cash at bank	-	10,853	-	10,853
Total financial assets	<u>171,118,600</u>	<u>9,303,182</u>	<u>-</u>	<u>180,421,782</u>
Liabilities				
Amount due to Manager	-	-	32,470	32,470
Amount due to Trustee	-	-	6,102	6,102
Distribution payable	-	-	593,499	593,499
Total financial liabilities	<u>-</u>	<u>-</u>	<u>632,071</u>	<u>632,071</u>
2022				
Assets				
Investments	162,169,620	-	-	162,169,620
Deposit with a licensed financial institution	-	6,046,464	-	6,046,464
Cash at bank	-	10,893	-	10,893
Total financial assets	<u>162,169,620</u>	<u>6,057,357</u>	<u>-</u>	<u>168,226,977</u>

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2022 (cont'd.)				
Liabilities				
Amount due to Manager	-	-	32,120	32,120
Amount due to Trustee	-	-	5,511	5,511
Distribution payable	-	-	543,289	543,289
Total financial liabilities	-	-	580,920	580,920

	Income, expenses, gains and losses	
	2023 RM	2022 RM
Net gain/(loss) from financial assets at FVTPL	5,051,590	(1,212,586)
Income, of which derived from:		
- Interest income from financial assets at FVTPL	7,404,863	6,193,910
- Interest income from financial assets at amortised cost	170,736	129,483

(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.

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value (cont'd.)

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at FVTPL	-	171,118,600	-	171,118,600
2022				
Financial assets at FVTPL	-	162,169,620	-	162,169,620

(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 a licensed financial institution
- Cash at bank
- Amount due to Manager
- Amount due to Trustee
- Distribution payable

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.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment 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.

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

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

(a) Market risk

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

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

(i) Interest rate risk

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

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

The result below summarised the interest rate sensitivity of the Fund's NAV, or theoretical value due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2023	2022
	RM	RM
+100 bps	(7,633,430)	(6,424,386)
-100 bps	8,052,961	7,312,561

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund can invest up to 100% of the NAV in fixed income instruments. As such the Fund would be exposed to the risk of bond issuers and financial institutions defaulting on its repayment obligations which in turn would affect the NAV of the Fund.

(i) Credit quality of financial assets

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 December 2023 and 31 December 2022:

Credit rating	RM	As a % of	As a % of
		debt securities	NAV
2023			
AAA	70,335,117	41.10	39.13
AA	100,783,483	58.90	56.05
	<u>171,118,600</u>	<u>100.00</u>	<u>95.18</u>

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

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

(b) Credit risk (cont'd.)

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

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 December 2023 and 31 December 2022: (cont'd.)

Credit rating	RM	As a % of debt securities	As a % of NAV
2022			
AAA	31,656,270	19.52	18.88
AA	106,754,596	65.83	63.69
A	9,947,288	6.13	5.93
NR	13,811,466	8.52	8.24
	<u>162,169,620</u>	<u>100.00</u>	<u>96.74</u>

For deposits with financial institutions, the Fund only makes placements with financial institutions with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 31 December 2023 and 31 December 2022:

Credit rating	RM	As a % of deposits	NAV
2023			
P1/MARC-1	<u>9,292,329</u>	<u>100.00</u>	<u>5.17</u>
2022			
P1/MARC-1	<u>6,046,464</u>	<u>100.00</u>	<u>3.61</u>

Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

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

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

(b) Credit risk (cont'd.)

(ii) Credit risk concentration

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 December 2023 and 31 December 2022:

Sector	RM	As a % of debt securities	As a % of NAV
2023			
Communication services	3,530,825	2.06	1.96
Consumer discretionary	23,589,359	13.79	13.12
Energy and utilities	53,084,806	31.02	29.53
Financial services	22,291,571	13.03	12.40
Health care and social work	6,267,408	3.66	3.49
Public administration	5,254,467	3.07	2.92
Real estate	15,309,832	8.95	8.51
Transportation and storage	41,790,332	24.42	23.25
	<u>171,118,600</u>	<u>100.00</u>	<u>95.18</u>
2022			
Construction and engineering	8,963,196	5.53	5.34
Diversified holdings	4,971,762	3.07	2.97
Financial services	27,393,201	16.89	16.34
Industrial products	25,801,016	15.91	15.39
Infrastructures and utilities	52,354,872	32.28	31.23
Mining and petroleum	8,398,725	5.18	5.01
Property and real estate	2,993,412	1.84	1.79
Public finance	13,811,466	8.52	8.24
Trading and services	17,481,970	10.78	10.43
	<u>162,169,620</u>	<u>100.00</u>	<u>96.74</u>

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

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

(c) Liquidity risk

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

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

	Contractual cash flows (undiscounted)					
	0 – 1	1 – 2	2 – 3	3 – 4	4 – 5	More than
	year	years	years	years	years	5 years
	RM	RM	RM	RM	RM	RM
2023						
Financial assets						
Investments	17,251,098	12,509,036	21,144,209	22,160,304	31,773,039	103,440,042
Deposit with a licensed financial institution	9,293,105	-	-	-	-	-
Cash at bank	10,853	-	-	-	-	-
Total assets	26,555,056	12,509,036	21,144,209	22,160,304	31,773,039	103,440,042
Financial liabilities						
Amount due to Manager	32,470	-	-	-	-	-
Amount due to Trustee	6,102	-	-	-	-	-
Distribution payable	593,499	-	-	-	-	-
Sundry payables and accruals	9,800	-	-	-	-	-
Total liabilities	641,871	-	-	-	-	-

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

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 asset and liability classes in the Fund: (cont'd.)

	Contractual cash flows (undiscounted)					
	0 – 1	1 – 2	2 – 3	3 – 4	4 – 5	More than
	year	years	years	years	years	5 years
	RM	RM	RM	RM	RM	RM
2022						
Financial assets						
Investments	22,442,498	21,241,077	21,256,822	19,495,981	17,511,604	97,631,219
Deposit with a licensed financial institution	6,047,855	-	-	-	-	-
Cash at bank	10,893	-	-	-	-	-
Total assets	28,501,246	21,241,077	21,256,822	19,495,981	17,511,604	97,631,219
Financial liabilities						
Amount due to Manager	32,120	-	-	-	-	-
Amount due to Trustee	5,511	-	-	-	-	-
Distribution payable	543,289	-	-	-	-	-
Sundry payables and accruals	9,800	-	-	-	-	-
Total liabilities	590,720	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 20223**

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

(d) Regulatory risk

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

(e) Management risk

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

(f) Non-compliance risk

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

19. CAPITAL MANAGEMENT

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

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

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

AmIncome Value

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 Value (the “Fund”) as at 31 December 2023 and the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

19 February 2024

Trustee's Report

TO THE UNIT HOLDERS OF AMINCOME VALUE ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Markets 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
19 February 2024

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*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad
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