

Quarterly Report for

# AmIncome Value

30 June 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

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

### **Board of Directors**

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Deutsche Trustees Malaysia Berhad

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Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholder,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of AmlIncome Value ("Fund") for the financial period from 1 April 2024 to 30 June 2024.

### Salient Information of the Fund

<b>Name</b>	<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>																																					
<b>Category/ Type</b>	Wholesale Fixed Income / Growth																																					
<b>Objective</b>	<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>																																					
<b>Duration</b>	<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>																																					
<b>Performance Benchmark</b>	RAM Quantshop 1-5 years MGS Index plus 50 basis points (over 3 year rolling period) ("MGS") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )																																					
<b>Income Distribution Policy</b>	Income distribution (if any) will be reinvested.																																					
<b>Breakdown of Unit Holdings by Size</b>	<p>For the financial period under review, the size of the Fund stood at 178,756,761 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 30 June 2024</th> <th colspan="2" style="background-color: #e0e0e0;">As at 31 March 2024</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;">178,756,761</td> <td style="text-align: right;">1</td> <td style="text-align: right;">176,790,448</td> <td style="text-align: right;">1</td> </tr> </tbody> </table>				Size of holding	As at 30 June 2024		As at 31 March 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	178,756,761	1	176,790,448	1
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## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 30 June 2024, 31 March 2024 and for the past three financial years are as follows:					
		<b>As at 30.06.2024 %</b>	<b>As at 31.03.2024 %</b>	<b>As at 31 December</b>		
				<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>
	Corporate bonds	94.36	98.06	95.18	88.50	81.60
	Malaysian Government Securities	-	-	-	8.24	13.36
	Money market deposits and cash equivalents	5.64	1.94	4.82	3.26	5.04
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>					
<b>Performance Details</b>	Performance details of the Fund for the financial periods ended 30 June 2024, 31 March 2024 and three financial years ended 31 December are as follows:					
		<b>FPE 30.06.2024</b>	<b>FPE 31.03.2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
	Net asset value (RM'000)	184,329	181,812	179,780	167,636	163,016
	Units in circulation ('000)	178,757	176,790	174,558	169,778	164,664
	Net asset value per unit (RM)	1.0312	1.0284	1.0299	0.9874	0.9900
	Highest net asset value per unit (RM)	1.0340	1.0349	1.0330	0.9920	1.0462
	Lowest net asset value per unit (RM)	1.0264	1.0267	0.9894	0.9710	0.9888
	Benchmark performance (%)	0.97	0.96	4.79	2.07	1.00
	Total return (%) <sup>(1)</sup>	1.04	1.44	7.23	2.88	0.52
	- Capital growth (%)	0.26	-0.13	4.37	-0.20	-4.95
	- Income distributions (%)	0.78	1.57	2.86	3.08	5.47
	Gross distributions (sen per unit)	0.80	1.62	2.82	3.05	5.70
	Net distributions (sen per unit)	0.80	1.62	2.82	3.05	5.70
	Total expense ratio (%) <sup>(2)</sup>	0.06	0.06	0.25	0.25	0.23
Portfolio turnover ratio (times) <sup>(3)</sup>	0.04	0.13	0.41	0.47	0.62	

Note:

- (1) Total return is the actual return of the Fund for the respective financial periods/years computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio (“TER”) is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.
- (3) Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

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

	<b>AmIncome Value<sup>(a)</sup></b> %	<b>MGS<sup>(b)</sup></b> %
One year	5.66	4.10
Three years	4.36	3.06
Five years	4.48	3.76
Ten years	4.79	4.09

**Annual Total Return**

<b>Financial Years Ended (31 December)</b>	<b>AmIncome Value<sup>(a)</sup></b> %	<b>MGS<sup>(b)</sup></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) RAM Quantshop 1-5 years MGS Index plus 50 basis points (over 3 years rolling period) (“MGS”). (Available at [www.aminvest.com](http://www.aminvest.com))

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

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

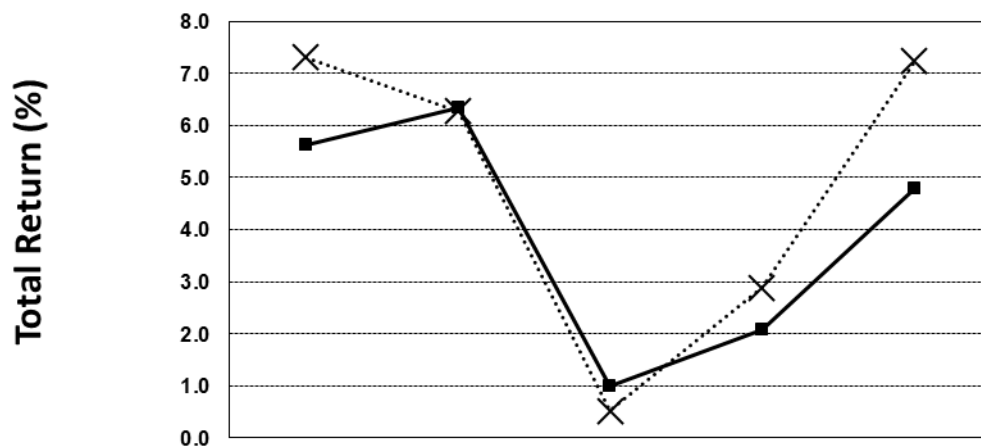
**Fund Performance**

For the financial period under review, the Fund registered a return of 1.04% comprising of 0.26% capital growth and 0.78% income distributions.

Thus, the Fund’s return of 1.04% has outperformed the benchmark’s return of 0.97% by 0.07%.

As compared with the financial period ended 31 March 2024, the net asset value (“NAV”) per unit of the Fund increased by 0.27% from RM1.0284 to RM1.0312, while units in circulation increased by 1.11% from 176,790,448 units to 178,756,761 units.

The following line chart shows comparison between the annual performances of AmIncome 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.**

**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**

The table below is the asset allocation of the Fund as at 30 June 2024 and 31 March 2024.

	As at 30.06.2024 %	As at 31.03.2024 %	Changes %
Corporate bonds	94.36	98.06	-3.70
Money market deposits and cash equivalents	5.64	1.94	3.70
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

As at 30 June 2024, the Fund is 94.36% invested in corporate bonds with the remaining 5.64% 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**

During the financial period under review, the Fund declared income distributions, detailed as follows:

Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)
30-Apr-24	0.20	1.0284	1.0264
31-May-24	0.29	1.0326	1.0297
28-Jun-24	0.31	1.0340	1.0309

There is no unit split declared for the financial period under review.

<b>State of Affairs</b>	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 period under review.
<b>Rebates and Soft Commission</b>	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
<b>Market Review</b>	<p>In April, Malaysian bond market weaken following a sell-off in United States Treasuries (UST) as sticky inflation and a resilient labor market have given more reasons for the United States (US) Federal Reserve (Fed) to stand pat on key rates. Apart from that, thin market liquidity and rising geopolitical risk in the Middle East also dented local bond market sentiment. Premised on all the developments above, Malaysian Government Securities (MGS) curve was repriced higher by 6 to 16 basis points (bps) on a month-on-month (MoM) basis.</p> <p>Moving towards May, Malaysian bond market strengthened driven primarily by lower-than-expected US Job data released at the beginning of the month and dovish tone from the US Fed in its post - Federal Open Market Committee (FOMC) meeting speech. While Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% during policy meeting with a neutral monetary stance, positive sentiment in local bond market was reflected in the three sovereign bond auctions which garnered strong demand and recorded bid-to-cover (BTC) ratio between 1.965x to 3.085x. As investors were adjusting their view that the US Fed is not in a rush to cut rates, local bonds weakened slightly towards end of the month, reflecting the trend in the UST market. Overall, the MGS curve bull-flattened in May with yields declined by 2-12bps on a MoM basis.</p> <p>In the last month of the second quarter, Malaysian bond market further strengthened driven by similar movement in the UST as the US economic data showed some signs of moderating inflation. Both US headline and core Personal Consumption Expenditure (PCE) cooled to 2.6% on a year-on-year (YoY) basis, the lowest level in more than three years. The MGS curve experienced a bull steepening in June, with yields declining by 1 to 6bps on a MoM basis, led by the 3-year and 7-year.</p>
<b>Market Outlook</b>	<p>Strong demand in long-end government bond auctions and corporate bond primary issuances suggest that domestic liquidity remains ample. Market participants continue to ignore the record low credit spreads, with continued strong demand in bonds yielding 4% and above. As domestic liquidity is expected to remain healthy and Bank Negara Malaysia (BNM) is likely to stay pat on Overnight Policy Rate (OPR), we expect the local bond market to continue to trade in range bound. Current cheap funding cost should attract bond issuers to tap the market in coming months that will provide more investment opportunities.</p> <p>We maintain overweight on portfolio duration versus the benchmark, while prefer corporate bonds for more yield pick-up.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

20 August 2024



## AmlIncome Value

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	<b>30.06.2024</b> <b>(unaudited)</b> <b>RM</b>	<b>31.12.2023</b> <b>(audited)</b> <b>RM</b>
<b>ASSETS</b>		
Investments	173,935,348	171,118,600
Deposit with licensed financial institution	10,982,707	9,292,329
Cash at bank	11,146	10,853
<b>TOTAL ASSETS</b>	<u>184,929,201</u>	<u>180,421,782</u>
<b>LIABILITIES</b>		
Amount due to Manager	32,256	32,470
Amount due to Trustee	6,049	6,102
Distribution payable	554,146	593,499
Sundry payables and accruals	8,174	9,800
<b>TOTAL LIABILITIES</b>	<u>600,625</u>	<u>641,871</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>	<u>184,328,576</u>	<u>179,779,911</u>
<b>EQUITY</b>		
Unit holder’s capital	178,550,756	174,234,944
Retained earnings	5,777,820	5,544,967
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDER</b>	<u>184,328,576</u>	<u>179,779,911</u>
<b>UNITS IN CIRCULATION</b>	<u>178,756,761</u>	<u>174,558,400</u>
<b>NAV PER UNIT (RM)</b>	<u>1.0312</u>	<u>1.0299</u>

## AmlIncome Value

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	Note	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
<b>INVESTMENT INCOME</b>			
Interest income		1,960,149	1,877,758
Net gains from investments:			
– Financial assets at fair value through profit or loss ("FVTPL")	1	<u>73,549</u>	<u>1,118,940</u>
		<u>2,033,698</u>	<u>2,996,698</u>
<b>EXPENDITURE</b>			
Manager's fee		(91,332)	(86,630)
Trustee's fee		(18,266)	(17,326)
Audit fee		(1,616)	(1,621)
Tax agent's fee		(821)	(823)
Other expenses		<u>(526)</u>	<u>(1,428)</u>
		<u>(112,561)</u>	<u>(107,828)</u>
<b>Net income before taxation</b>		1,921,137	2,888,870
<b>Taxation</b>		<u>-</u>	<u>-</u>
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>1,921,137</u>	<u>2,888,870</u>
Total comprehensive income comprises the following:			
Realised income		1,847,588	2,347,458
Unrealised gains		<u>73,549</u>	<u>541,412</u>
		<u>1,921,137</u>	<u>2,888,870</u>
<b>Distributions for the financial period</b>			
Net distributions	2	<u>1,426,901</u>	<u>549,748</u>
Gross distributions per unit (sen)	2	<u>0.80</u>	<u>0.32</u>
Net distributions per unit (sen)	2	<u>0.80</u>	<u>0.32</u>

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

## AmlIncome Value

### STATEMENT OF CHANGES IN EQUITY (*Unaudited*) FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	Note	Unit holder's capital RM	Retained earnings RM	Total equity RM
At 1 April 2024		176,528,863	5,283,584	181,812,447
Total comprehensive income for the financial period		-	1,921,137	1,921,137
Reinvestment of distributions		2,021,893	-	2,021,893
Distributions	2	-	(1,426,901)	(1,426,901)
Balance at 30 June 2024		<u>178,550,756</u>	<u>5,777,820</u>	<u>184,328,576</u>
At 1 April 2023		170,631,229	612,896	171,244,125
Total comprehensive income for the financial period		-	2,888,870	2,888,870
Reinvestment of distribution		1,353,420	-	1,353,420
Distribution	2	-	(549,748)	(549,748)
Balance at 30 June 2023		<u>171,984,649</u>	<u>2,952,018</u>	<u>174,936,667</u>

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

## AmlIncome Value

### STATEMENT OF CASH FLOWS (*Unaudited*) FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	9,500,000	13,459,500
Purchases of investments	(5,000,000)	(9,106,300)
Interest received	1,884,358	2,063,525
Manager's fee paid	(91,977)	(88,857)
Trustee's fee paid	(18,399)	(17,404)
Payments for other expenses	(527)	(7,928)
Net cash generated from operating and investing activities	<u>6,273,455</u>	<u>6,302,536</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,273,455	6,302,536
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>4,720,398</u>	<u>1,289,875</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>10,993,853</u></u>	<u><u>7,592,411</u></u>
Cash and cash equivalents comprise:		
Deposit with licensed financial institution	10,982,707	7,581,623
Cash at bank	11,146	10,788
	<u><u>10,993,853</u></u>	<u><u>7,592,411</u></u>

## AmlIncome Value

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024

#### 1. NET GAINS FROM INVESTMENTS

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
Net gains on financial assets at FVTPL comprised:		
- Net realised gain on sale of investments	-	577,528
- Net unrealised gains on changes in fair value of investments	73,549	541,412
	<u>73,549</u>	<u>1,118,940</u>

#### 2. DISTRIBUTIONS

Distributions to unit holder for the financial periods are from the following sources:

	01.04.2024 to 30.06.2024 RM	01.04.2023 to 30.06.2023 RM
Gross distributions per unit (sen)	<u>0.80</u>	<u>0.32</u>
Net distributions per unit (sen)	<u>0.80</u>	<u>0.32</u>

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

##### Financial period ended 30 June 2024

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
30 April 2024	0.20	0.20	355,816
31 May 2024	0.29	0.29	516,939
28 June 2024	0.31	0.31	554,146
	<u>0.80</u>	<u>0.80</u>	<u>1,426,901</u>

##### Financial period ended 30 June 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
28 April 2023	<u>0.32</u>	<u>0.32</u>	<u>549,748</u>

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

## DIRECTORY

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*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*

