

Quarterly Report for

# AmIncome Value

30 September 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**

Jeyaratnam A/L Tamotharam Pillai  
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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 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 July 2024 to 30 September 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 181,003,590 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 September 2024</th> <th colspan="2" style="background-color: #e0e0e0;">As at 30 June 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;">181,003,590</td> <td style="text-align: right;">1</td> <td style="text-align: right;">178,756,761</td> <td style="text-align: right;">1</td> </tr> </tbody> </table>				Size of holding	As at 30 September 2024		As at 30 June 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	181,003,590	1	178,756,761	1
Size of holding	As at 30 September 2024		As at 30 June 2024																																			
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## Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 September 2024, 30 June 2024 and for the past three financial years are as follows:					
		As at 30.09.2024 %	As at 30.06.2024 %	As at 31 December		
				2023 %	2022 %	2021 %
Corporate bonds	97.55	94.36	95.18	88.50	81.60	
Malaysian Government Securities	-	-	-	8.24	13.36	
Money market deposits and cash equivalents	2.45	5.64	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>					
Performance Details	Performance details of the Fund for the financial periods ended 30 September 2024, 30 June 2024 and three financial years ended 31 December are as follows:					
		FPE 30.09.2024	FPE 30.06.2024	FYE 2023	FYE 2022	FYE 2021
Net asset value (RM'000)	186,859	184,329	179,780	167,636	163,016	
Units in circulation ('000)	181,004	178,757	174,558	169,778	164,664	
Net asset value per unit (RM)	1.0323	1.0312	1.0299	0.9874	0.9900	
Highest net asset value per unit (RM)	1.0369	1.0340	1.0330	0.9920	1.0462	
Lowest net asset value per unit (RM)	1.0285	1.0264	0.9894	0.9710	0.9888	
Benchmark performance (%)	1.50	0.97	4.79	2.07	1.00	
Total return (%) <sup>(1)</sup>	1.37	1.04	7.23	2.88	0.52	
- Capital growth (%)	0.14	0.26	4.37	-0.20	-4.95	
- Income distributions (%)	1.23	0.78	2.86	3.08	5.47	
Gross distributions (sen per unit)	1.27	0.80	2.82	3.05	5.70	
Net distributions (sen per unit)	1.27	0.80	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>	0.02	0.04	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 September 2024)**

	AmlIncome Value <sup>(a)</sup> %	MGS <sup>(b)</sup> %
One year	5.91	4.86
Three years	4.68	3.48
Five years	4.32	3.75
Ten years	4.80	4.13

**Annual Total Return**

Financial Years Ended (31 December)	AmlIncome Value <sup>(a)</sup> %	MGS <sup>(b)</sup> %
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.**

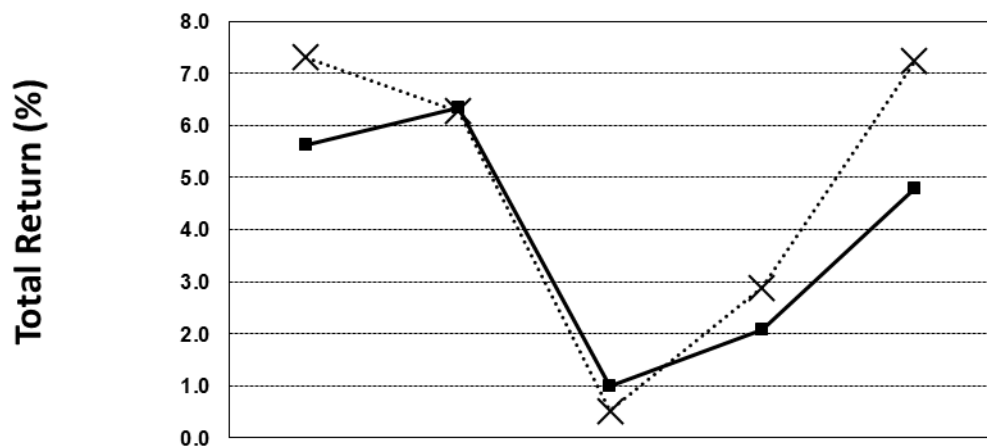
**Fund Performance**

For the financial period under review, the Fund registered a return of 1.37% comprising of 0.14% capital growth and 1.23% income distributions.

Thus, the Fund’s return of 1.37% has underperformed the benchmark’s return of 1.50% by 0.13%.

As compared with the financial period ended 30 June 2024, the net asset value (“NAV”) per unit of the Fund increased by 0.11% from RM1.0312 to RM1.0323, while units in circulation increased by 1.26% from 178,756,761 units to 181,003,590 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.**

**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 September 2024 and 30 June 2024.

	As at 30.09.2024 %	As at 30.06.2024 %	Changes %
Corporate bonds	97.55	94.36	3.19
Money market deposits and cash equivalents	2.45	5.64	-3.19
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

As at 30 September 2024, the Fund is 97.55% invested in corporate bonds with the remaining 2.45% 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)
31-Jul-24	0.89	1.0374	1.0285
30-Aug-24	0.09	1.0324	1.0315
30-Sep-24	0.29	1.0352	1.0323

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 July, Malaysian bond market strengthened as sentiment were lifted by bullish movement in United States Treasuries (UST) on continued disinflation and signs of a tight labour market. Strong foreign inflows over the month also send Ringgit bond yield tumbled with net foreign buying accelerated to MYR7.8b in July, the highest in 12 months. Overall, Malaysian Government Securities (MGS) bull steepened with yields declined by 5-15 basis points (bps) on a month-on-month (MoM) basis.</p> <p>Moving towards August, Malaysian bond market weakened slightly over the month despite UST continued to rally amid heighten expectation of imminent rate cut by US Federal Reserve (Fed) at its upcoming meeting in September. Much of the movement in the local bond market was driven by profit taking activities towards the end of the month given rich valuation of government bond coupled with absence of local catalyst. Overall, MGS curve edged higher with yield across the curve rose 2-4 bps on a MoM basis, except for the 3-year and 5-year with yield barely unchanged.</p> <p>In final month of third quarter, MGS yield fell across the curve in tandem rally seen in UST after US Fed announced a 50bps cut (first reduction since March 2020) to its benchmark interest rate. Meanwhile Bank Negara Malaysia (BNM) in September, maintained the Overnight Policy Rate (OPR) at 3.00% as widely expected considering the current OPR level “remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects”. Overall, MGS curve bull-flattened with yield fell 2-6 bps on a MoM basis on the long to ultra long-end of the curve.</p>
<b>Market Outlook</b>	<p>With the United States (US) Federal Reserve (Fed) initiating a rate-cutting cycle, we anticipate increased foreign inflows into the domestic bond market, driven by expectations of currency appreciation. Bond yields are likely to remain well-supported, with any corrections expected to be short-lived due to strong demand and liquidity.</p> <p>Despite the domestic bond market rallying since the start of the year, we maintain a positive outlook as we enter into the 4th quarter of 2024. Strong market liquidity and sustained demand for bonds, coupled with an extended pause in the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM), support this bullish sentiment.</p> <p>We maintain an overweight position on portfolio duration relative to the benchmark. In terms of security selection, we will overweight corporate bonds over government bonds for additional yield.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 November 2024



## AmlIncome Value

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

	<b>30.09.2024</b> <b>(unaudited)</b> <b>RM</b>	<b>31.12.2023</b> <b>(audited)</b> <b>RM</b>
<b>ASSETS</b>		
Investments	182,287,055	171,118,600
Deposit with licensed financial institution	5,136,422	9,292,329
Cash at bank	10,732	10,853
<b>TOTAL ASSETS</b>	<u>187,434,209</u>	<u>180,421,782</u>
<b>LIABILITIES</b>		
Amount due to Manager	33,725	32,470
Amount due to Trustee	6,133	6,102
Distribution payable	524,910	593,499
Sundry payables and accruals	10,637	9,800
<b>TOTAL LIABILITIES</b>	<u>575,405</u>	<u>641,871</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>	<u>186,858,804</u>	<u>179,779,911</u>
<b>EQUITY</b>		
Unit holder’s capital	180,863,383	174,234,944
Retained earnings	5,995,421	5,544,967
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDER</b>	<u>186,858,804</u>	<u>179,779,911</u>
<b>UNITS IN CIRCULATION</b>	<u>181,003,590</u>	<u>174,558,400</u>
<b>NAV PER UNIT (RM)</b>	<u>1.0323</u>	<u>1.0299</u>

## AmlIncome Value

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

	Note	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
<b>INVESTMENT INCOME</b>			
Interest income		2,001,711	1,921,100
Net gains from investments:			
– Financial assets at fair value through profit or loss ("FVTPL")	1	<u>614,539</u>	<u>192,615</u>
		<u>2,616,250</u>	<u>2,113,715</u>
<b>EXPENDITURE</b>			
Manager's fee		(93,656)	(88,864)
Trustee's fee		(18,731)	(17,773)
Audit fee		(1,634)	(1,638)
Tax agent's fee		(830)	(832)
Other expenses		<u>(407)</u>	<u>(468)</u>
		<u>(115,258)</u>	<u>(109,575)</u>
<b>Net income before taxation</b>		2,500,992	2,004,140
<b>Taxation</b>		<u>-</u>	<u>-</u>
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>2,500,992</u>	<u>2,004,140</u>
Total comprehensive income comprises the following:			
Realised income		1,886,453	1,811,525
Unrealised gains		<u>614,539</u>	<u>192,615</u>
		<u>2,500,992</u>	<u>2,004,140</u>
<b>Distributions for the financial period</b>			
Net distributions	2	<u>2,283,391</u>	<u>1,484,765</u>
Gross distributions per unit (sen)	2	<u>1.27</u>	<u>0.86</u>
Net distributions per unit (sen)	2	<u>1.27</u>	<u>0.86</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 JULY 2024 TO 30 SEPTEMBER 2024

	Note	Unit holder's capital RM	Retained earnings RM	Total equity RM
At 1 July 2024		178,550,756	5,777,820	184,328,576
Total comprehensive income for the financial period		-	2,500,992	2,500,992
Reinvestment of distributions		2,312,627	-	2,312,627
Distributions	2	-	(2,283,391)	(2,283,391)
Balance at 30 September 2024		<u>180,863,383</u>	<u>5,995,421</u>	<u>186,858,804</u>
At 1 July 2023		171,984,649	2,952,018	174,936,667
Total comprehensive income for the financial period		-	2,004,140	2,004,140
Reinvestment of distributions		1,172,469	-	1,172,469
Distributions	2	-	(1,484,765)	(1,484,765)
Balance at 30 September 2023		<u>173,157,118</u>	<u>3,471,393</u>	<u>176,628,511</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 JULY 2024 TO 30 SEPTEMBER 2024

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Purchases of investments	(8,008,100)	(8,004,500)
Interest received	2,272,642	2,041,906
Manager's fee paid	(92,187)	(87,496)
Trustee's fee paid	(18,647)	(17,698)
Payments for other expenses	(407)	(468)
Net cash used in operating and investing activities	<u>(5,846,699)</u>	<u>(6,068,256)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5,846,699)	(6,068,256)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>10,993,853</u>	<u>7,592,411</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>5,147,154</u>	<u>1,524,155</u>
Cash and cash equivalents comprise:		
Deposit with licensed financial institution	5,136,422	1,513,253
Cash at bank	10,732	10,902
	<u>5,147,154</u>	<u>1,524,155</u>

## AmlIncome Value

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

#### 1. NET GAINS FROM INVESTMENTS

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
Net gains on financial assets at FVTPL comprised:		
- Net unrealised gains on changes in fair value of investments	<u>614,539</u>	<u>192,615</u>

#### 2. DISTRIBUTIONS

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

	01.07.2024 to 30.09.2024 RM	01.07.2023 to 30.09.2023 RM
Gross distributions per unit (sen)	<u>1.27</u>	<u>0.86</u>
Net distributions per unit (sen)	<u>1.27</u>	<u>0.86</u>

#### Financial period ended 30 September 2024

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
31 July 2024	0.89	0.89	1,595,719
30 August 2024	0.09	0.09	162,761
30 September 2024	0.29	0.29	524,911
	<u>1.27</u>	<u>1.27</u>	<u>2,283,391</u>

#### Financial period ended 30 September 2023

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
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
	<u>0.86</u>	<u>0.86</u>	<u>1,484,765</u>

## **AmlIncome Value**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024**

#### **2. DISTRIBUTIONS (CONT'D.)**

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

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

## 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.)*

