

Semi-Annual Report for

# AmIncome

30 September 2023



**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  
Tai Terk Lin  
Ng Chih Kaye  
Jas Bir Kaur A/P Lol Singh  
Goh Wee Peng

### **Investment Committee**

Jas Bir Kaur A/P Lol Singh  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

HSBC (Malaysia) Trustee 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 unaudited accounts of AmlIncome ("Fund") for the financial period from 1 April 2023 to 30 September 2023.

### Salient Information of the Fund

<b>Name</b>	AmlIncome ("Fund")
<b>Category/Type</b>	Fixed Income / Income
<b>Objective</b>	AmlIncome aims to provide you with a regular stream of monthly income* by investing in money market and other fixed income instruments.  Note: <i>* The income could be in the form of units or cash. Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>
<b>Duration</b>	The Fund was established on 20 January 2000 and shall exist for as long as it appears to the Manager and the Trustee that it is in interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
<b>Performance Benchmark</b>	Malayan Banking Berhad 1-Month Fixed Deposit Rate ("MBB") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> / <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a> )  <i>Note: The benchmark does not imply that the risk profile of the Fund is the same as the risk profile of the benchmark. Investors of the Fund will assume a higher risk compared to the benchmark. Hence, the returns of the Fund may be potentially higher due to the higher risk faced by the investors.</i>
<b>Income Distribution Policy</b>	Income is calculated daily and paid monthly within 14 days after the last day of each month or on full redemption.

### Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 30 September 2023 and for the past three financial years are as follows:				
		<b>As at 30.09.2023 %</b>	<b>As at 31 March</b>		
			<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>
	Corporate bonds	62.07	61.61	58.63	49.77
	Commercial papers	0.52	0.16	-	3.84
	Cagamas bond	0.47	0.48	1.17	-
	Money market deposits and cash equivalents	36.94	37.75	40.20	46.39
<b>Total</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 period ended 30 September 2023 and three financial years ended 31 March are as follows:

	FPE 30.09.2023	FYE 2023	FYE 2022	FYE 2021
Net asset value (RM'000)*	9,645,837	9,513,887	7,282,092	5,503,362
Units in circulation ('000)*	9,542,184	9,438,745	7,211,251	5,426,062
Net asset value per unit (RM) <sup>(1)</sup>	1.0109	1.0080	1.0098	1.0142
Highest net asset value per unit (RM)*	1.0109	1.0096	1.0122	1.0150
Lowest net asset value per unit (RM)*	1.0072	1.0073	1.0091	1.0117
Benchmark performance (%)	1.29	2.13	1.50	1.64
Total return (%) <sup>(2)</sup>	1.68	2.73	2.14	2.40
- Capital growth (%)	-	-	-	-
- Income distribution (%)	1.68	2.73	2.14	2.40
Gross distributions (RM)	162,469,582	238,579,398	134,233,059	117,671,925
Net distributions (RM)	162,469,582	238,579,398	134,233,059	117,671,925
Total expense ratio (%) <sup>(3)</sup>	0.39	0.78	0.78	0.78
Portfolio turnover ratio (times) <sup>(4)</sup>	0.13	0.29	0.31	0.38

\* Above price and net asset value per unit are shown as ex-distribution.

**Note:**

- (1) With the exemption granted by the authority in relation to determine the unit pricing of the Fund, subscription/redemption price for the unit of the Fund may differ from the NAV per unit stated above.
- (2) Total return is computed based on the income return of the Fund net of all fees.
- (3) 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.
- (4) 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 2023)**

	AmlIncome <sup>(a)</sup> %	MBB <sup>(b)</sup> %
One year	3.18	2.50
Three years	2.55	1.89
Five years	2.82	2.19
Ten years	2.99	2.63

## Annual Total Return

Financial Years Ended (31 March)	AmlIncome <sup>(a)</sup> %	MBB <sup>(b)</sup> %
2023	2.73	2.13
2022	2.14	1.50
2021	2.40	1.64
2020	3.27	2.84
2019	3.58	3.15

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

(b) Malayan Banking Berhad 1-Month Fixed Deposit Rate ("MBB")  
(Available at [www.aminvest.com](http://www.aminvest.com) / [www.maybank2u.com.my](http://www.maybank2u.com.my))

The Fund performance is calculated based on daily returns of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the accumulated returns 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.**

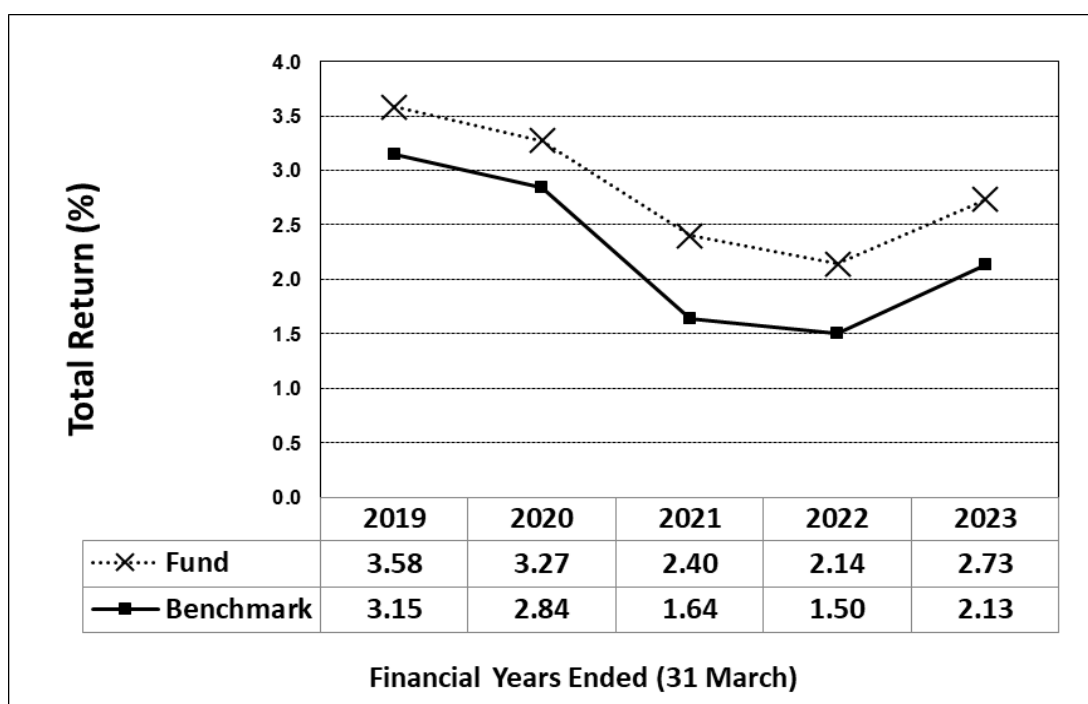
## Fund Performance

For the financial period under review, the Fund registered a return of 1.68% which was entirely income distributions in nature.

Thus, the Fund's return of 1.68% has outperformed the benchmark's return of 1.29% by 0.39%.

As compared with the financial year ended 31 March 2023, the net asset value ("NAV") per unit of the Fund increased by 0.29% from RM1.0080 to RM1.0109, while units in circulation increased by 1.10% from 9,438,744,745 units to 9,542,183,819 units.

The line chart below shows comparison between the annual performances of AmlIncome and its benchmark, MBB, for financial years ended 31 March.



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

<b>Strategies and Policies Employed</b>	<p>For the financial year under review, the Fund seeks to achieve its objective by invested in RM-denominated short to medium-term fixed income instruments (i.e. debt instruments with maturity of no longer than five (5) years) with minimum credit rating:</p> <ul style="list-style-type: none"> <li>i. Short-term credit rating of P2 by RAM or its equivalent as rated by a local or global rating agency; or</li> <li>ii. Long-term credit rating of A3 by RAM or its equivalent as rated by a local or global rating agency.</li> </ul> <p>If the credit rating of the instruments falls below the minimum rating, the Fund may dispose of the investment. However, the Fund reserves the right to maintain the investment if the downgrade is a temporary event. The Fund's investments are structured to mature as follows:</p> <ul style="list-style-type: none"> <li>a. At least 10% of the investments within seven (7) days;</li> <li>b. At least 20% of the investments within thirty-one (31) days.</li> </ul> <p>With the exception of unforeseeable circumstances (e.g. in the event of a default, the restructuring or the recovery process may take longer than the maturity of the debt instrument), the weighted average maturity of the Fund's investments would not exceed one and half (1.5) years.</p>																								
<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 30 September 2023 and 31 March 2023.</p> <table border="1" data-bbox="360 992 1485 1317"> <thead> <tr> <th></th> <th style="text-align: center;"><b>As at 30.09.2023 %</b></th> <th style="text-align: center;"><b>As at 31.03.2023 %</b></th> <th style="text-align: center;"><b>Changes %</b></th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td style="text-align: center;">62.07</td> <td style="text-align: center;">61.61</td> <td style="text-align: center;">0.46</td> </tr> <tr> <td>Commercial papers</td> <td style="text-align: center;">0.52</td> <td style="text-align: center;">0.16</td> <td style="text-align: center;">0.36</td> </tr> <tr> <td>Cagamas bond</td> <td style="text-align: center;">0.47</td> <td style="text-align: center;">0.48</td> <td style="text-align: center;">-0.01</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td style="text-align: center;">36.94</td> <td style="text-align: center;">37.75</td> <td style="text-align: center;">-0.81</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>100.00</b></td> <td style="text-align: center;"><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>As at 30 September 2023, the Fund exposure to corporate bonds stood at 62.07% while the remaining 0.52%, 0.47% and 36.94% of the Fund are made up of investments in commercial papers, Cagamas bond and money market deposits and cash equivalents.</p>		<b>As at 30.09.2023 %</b>	<b>As at 31.03.2023 %</b>	<b>Changes %</b>	Corporate bonds	62.07	61.61	0.46	Commercial papers	0.52	0.16	0.36	Cagamas bond	0.47	0.48	-0.01	Money market deposits and cash equivalents	36.94	37.75	-0.81	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
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<b>Securities Lending/ Repurchase Transactions</b>	<p>The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").</p>																								
<b>Cross Trade</b>	<p>There were no cross trades undertaken during the financial period under review.</p>																								
<b>Distribution/ Unit splits</b>	<p>The Fund distributes the entire income on a monthly basis. For the financial period under review, the Fund has distributed income totaling RM162,469,582 and no unit split is declared.</p>																								
<b>State of Affairs</b>	<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 unitholders during the financial period under review.</p>																								

<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>Going into 2Q2023, global capital markets were concerned with the failure of some United States (US) Regional Banks as deposit withdrawals have caused these banks to face liquidity issues. Fixed income markets around the world were expecting this event to eventually lead to a US recession but that expectation was short-lived. The bank run events were quickly contained by the Federal Reserve as the Central Bank deployed new toolkit, known as Bank Term Funding Program (BTFP) to assist trouble banks to tap on the facility. Macro-economic data in the US continue to stay warm and Federal Reserve continued to raise rate. Back home in Malaysia, Bank Negara Malaysia (BNM) also did a surprise rate hike in May-2023 meeting and brought the Overnight Policy Rate (OPR) to 3.00%, from 2.75% as at end 2022. Overall, the domestic market saw short-term yields rose higher, but long-term yields lower, exhibiting a flattened curve.</p> <p>Come 3Q2023, The United States Treasury (UST) department surprised the market with relatively high amount of long maturity Treasury bond issuance. As US passed a bill to remove debt ceiling to 2025, and the fiscal spending is still targeting at USD1.6tn a year, the long maturity bond supply steepened the long-end UST curve, dis-inverting the shape of the curve. Fixed income markets around the world also face steepening pressure, as bid for long duration assets is absence. Despite BNM held OPR unchanged in 3Q2023, MGS curve steepened around 25 – 35bps compared to end of 2Q2023. Nevertheless, Malaysian Government Securities (MGS) / Malaysian Government Investment Issues (MGII) yields still trade lower compared to beginning of the year. As at September 2023, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.61%, 3.77%, 3.92%, 3.98%, 4.18%, 4.31% and 4.43% respectively.</p>
<b>Market Outlook</b>	<p>Going in 4Q2023, fixed income markets still face the challenge of United States (US) Federal Reserve keeping interest rate high for long. US Gross Domestic Product (GDP) rebounded in 3Q2023 to 4.9% YoY, drastically removed the odds of US recession in the near term. As jobless claims stayed circular low and disinflation rate started to slow due to higher commodity prices, investors have gradually repriced the odds and magnitude of 2024 rate cuts lower (from 4 cuts to 2 cuts, consistent with Federal Reserve's September 2023 forecast). This creates a headwind to Emerging Market rates as foreign demand for local currency bonds will continue to reduce. As such, economies with low domestic savings will find it hard to finance the government deficit which is a key driver to growth absence of China's demand (China is facing growth issues too). However, Malaysia is likely to fare better as Bank Negara Malaysia (BNM) is ready to provide more liquidity to the market in case of market volatility. As such, we are turning more positive in the domestic bond market (having turned defensive since the beginning of 2H2023) and will gradually take on duration exposure towards the year end. This move is expected to be tactical as we continue to assess the global and domestic economies.</p>
<b>Additional Information</b>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) En Izad Shahadi Bin Mohd Sallehuddin, an Independent Non-Executive Director of Amlslamic Funds Management Sdn Bhd ('AIFM'), has resigned from the Investment Committee with effect from 30 June 2023.</li> <li>2) Ms Tracy Chen Wee Keng, the Chief Executive Officer of AmlInvestment Bank Berhad has been appointed as Member of the Investment Committee with effect from 30 June 2023.</li> </ol>



- |  |   |
|--|---|
|  | <p>3) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AIFM and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023.</p> <p>4) The Tenth Supplementary Master Prospectus dated 31 August 2023 has been registered with the Securities Commission Malaysia. The issuance of the Tenth Supplementary Master Prospectus is to be in line with the revised Guidelines on Unit Trust Funds and the Prospectus Guidelines for Collective Investment Schemes. Notice of the changes for the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the Unit Holders on 16 August 2023.</p> |
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Kuala Lumpur, Malaysia  
AmFunds Management Berhad

20 November 2023

## AmlIncome

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

		<b>30.09.2023</b>	<b>31.03.2023</b>
		<b>(unaudited)</b>	<b>(audited)</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
Investments	4	6,082,998,550	5,921,604,315
Interest receivables		80,742,984	71,200,101
Deposits with licensed financial institutions	5	1,272,937,945	2,750,980,877
Cash at banks		2,243,000,821	802,972,312
<b>TOTAL ASSETS</b>		<u>9,679,680,300</u>	<u>9,546,757,605</u>
<b>LIABILITIES</b>			
Amount due to Manager	6	6,536,424	6,958,094
Amount due to Trustee	7	198,369	205,541
Distribution payables		27,055,779	25,648,054
Sundry payables and accruals		52,418	59,378
<b>TOTAL LIABILITIES</b>		<u>33,842,990</u>	<u>32,871,067</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>9,645,837,310</u>	<u>9,513,886,538</u>
<b>EQUITY</b>			
Unit holders’ capital	9(a)	9,542,183,819	9,438,744,745
Retained earnings	9(b)(c)	5,930,473	210,529
Fair value reserve	9(d)	23,697,620	2,780,201
Capital reserve	10	74,025,398	72,151,063
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>9,645,837,310</u>	<u>9,513,886,538</u>
<b>UNITS IN CIRCULATION</b>	9(a)	<u>9,542,183,819</u>	<u>9,438,744,745</u>
<b>NAV PER UNIT (RM) - EX-DISTRIBUTION</b>		<u>1.0109</u>	<u>1.0080</u>

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

## AmlIncome

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

		01.04.2023 to 30.09.2023	01.04.2022 to 30.09.2022
	Note	RM	RM
<b>INVESTMENT INCOME</b>			
Interest income		202,999,291	133,305,574
Net gain/(loss) from investments:	8		
– Financial assets at fair value through profit or loss (“FVTPL”)		3,882,585	(10,297,270)
– Financial assets at fair value through other comprehensive income (“FVOCI”)		1,257,633	(489,721)
		<u>208,139,509</u>	<u>122,518,583</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(36,834,126)	(30,668,309)
Trustee’s fee	7	(1,227,804)	(1,022,277)
Audit fee		(7,500)	(7,525)
Tax agent’s fees		(2,050)	(2,056)
Other expenses		(4,168)	(2,789)
		<u>(38,075,648)</u>	<u>(31,702,956)</u>
<b>Net income before taxation</b>		170,063,861	90,815,627
<b>Taxation</b>	13	-	-
<b>Net income after taxation</b>		<u>170,063,861</u>	<u>90,815,627</u>
<b>Other comprehensive income/(loss):</b>			
<u>Items that may be reclassified to profit or loss:</u>			
– Net gain/(loss) from investments		22,175,053	(29,800,207)
– Changes in allowance for expected credit losses		(1,718,754)	469,216
– Reclassification to profit or loss on sale of investments		461,120	20,505
		<u>20,917,419</u>	<u>(29,310,486)</u>
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>190,981,280</u>	<u>61,505,141</u>
Total comprehensive income comprises the following:			
Realised income		166,072,997	101,464,114
Unrealised gain/(loss)		24,908,283	(39,958,973)
		<u>190,981,280</u>	<u>61,505,141</u>
<b>Distributions for the financial period</b>			
Net distributions	14	<u>162,469,582</u>	<u>99,590,696</u>

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

## AmlIncome

### STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

	Note	Unit holders' capital RM	Retained earnings/ (Accumulated losses) RM	Fair value reserve/ (deficit) RM	Capital reserve RM	Total equity RM
At 1 April 2023		9,438,744,745	210,529	2,780,201	72,151,063	9,513,886,538
Total comprehensive income for the financial period		-	170,063,861	20,917,419	-	190,981,280
Transfer to capital reserve	10	-	(1,874,335)	-	1,874,335	-
Creation of units	9(a)	3,034,952,452	-	-	-	3,034,952,452
Reinvestment of distributions	9(a)	157,628,405	-	-	-	157,628,405
Cancellation of units	9(a)	(3,089,141,783)	-	-	-	(3,089,141,783)
Distributions	14	-	(162,469,582)	-	-	(162,469,582)
Balance at 30 September 2023		<u>9,542,183,819</u>	<u>5,930,473</u>	<u>23,697,620</u>	<u>74,025,398</u>	<u>9,645,837,310</u>
At 1 April 2022		7,211,251,094	(2,880,041)	5,262,844	68,457,605	7,282,091,502
Total comprehensive income for the financial period		-	90,815,627	(29,310,486)	-	61,505,141
Transfer to capital reserve	10	(14,296)	(2,357,628)	-	2,371,924	-
Creation of units	9(a)	3,881,774,249	-	-	-	3,881,774,249
Reinvestment of distributions	9(a)	89,609,760	-	-	-	89,609,760
Cancellation of units	9(a)	(2,696,704,698)	-	-	-	(2,696,704,698)
Distributions	14	-	(99,590,696)	-	-	(99,590,696)
Balance at 30 September 2022		<u>8,485,916,109</u>	<u>(14,012,738)</u>	<u>(24,047,642)</u>	<u>70,829,529</u>	<u>8,518,685,258</u>

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

## AmlIncome

### STATEMENT OF CASH FLOWS (Unaudited) FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

	Note	01.04.2023 to 30.09.2023 RM	01.04.2022 to 30.09.2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		1,217,513,950	387,440,780
Purchase of investments		(1,361,530,505)	(1,745,306,500)
Placement of deposits		(500,000,000)	-
Interest received		176,428,886	131,480,285
Manager's fee paid		(37,255,796)	(29,684,355)
Trustee's fee paid		(1,234,976)	(999,723)
Tax agent's fee paid		-	(4,100)
Payments for other expenses		(20,678)	(1,541)
Net cash used in operating and investing activities		<u>(506,099,119)</u>	<u>(1,257,075,154)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		3,034,952,452	3,881,774,249
Payments for cancellation of units		(3,089,141,783)	(2,696,704,698)
Distributions paid		(3,433,452)	(4,339,173)
Net cash (used in)/generated from financing activities		<u>(57,622,783)</u>	<u>1,180,730,378</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(563,721,902)</b>	<b>(76,344,776)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<b>2,806,722,723</b>	<b>2,897,901,188</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		<b><u>2,243,000,821</u></b>	<b><u>2,821,556,412</u></b>
Cash and cash equivalents comprise:			
Short-term deposits with licensed financial institutions	5	-	1,161,134,260
Cash at banks		2,243,000,821	1,660,422,152
		<u>2,243,000,821</u>	<u>2,821,556,412</u>

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

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 1. GENERAL INFORMATION

AmlIncome (“the Fund”) was established pursuant to a Deed dated 17 January 2000 as amended by Deeds supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of providing investors with a high stream of income returns. As provided in the Deed, the financial year shall end on 31 March and units in the Fund were first offered for sale on 20 January 2000.

The financial statements were authorised for issue by the Manager on 20 November 2023.

#### 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 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

##### Standards effective during the financial period

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

Description	Effective for financial periods beginning on or after
MFRS 17 Insurance Contracts and Amendments to MFRS 17* Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023 1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>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

##### 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

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

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
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 and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
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 SIGNIFICANT 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 losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

**3.1 Income recognition (cont'd.)**

(ii) Gain or loss on disposal of investments

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in profit or loss.

**3.2 Income tax**

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

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

**3.3 Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is 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**

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

**3.6 Unit holders' capital**

The unit holders' 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 Capital reserve**

Capital reserve of the Fund represents non-distributable amount as determined by the Manager that may be applied to make good any losses incurred by the Fund and/or avoid a fund consolidation exercise where units may be cancelled, in order to maintain the Funds price at RM1.00 per unit as approved by the Securities Commission Malaysia. Capital reserve is based on accumulated realised gain/loss and 0.05% of the units in circulation ("UIC") from the Fund's interest income computed on a daily basis. However, this amount may be varied at the discretion of the Manager.

**3.8 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.

(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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

**3.9 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.

**3.10 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

**3.10 Financial assets under MFRS 9 (cont'd.)**

*Classification and measurement (cont'd.)*

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

*Financial assets at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amounts due from brokers/financial institutions, dividend/distribution receivables, amount due from Manager and other receivables.

*Financial assets at FVOCI*

A financial asset is measured at 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".

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

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

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

**3.12 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.

**3.13 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 PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

**3.13 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.

**3.14 Determination of fair value**

For investments in unquoted 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.

**3.15 Classification of realised 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 are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

**3.16 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.

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

##### 3.16 Significant accounting estimates and judgments (cont'd.)

In the process of applying the accounting policies, the Manager has made the following judgments and 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 period.

The estimates and assumptions, in which the macro-economic factors are regularly monitored as part of the normal credit risk management of the Fund.

The measurement of impairment losses under MFRS 9 of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that involve the use of judgments and estimates include:

- The internal credit grading model, which assigns probability of default ("PD") to the individual grades;
- The internal criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss ("LTECL") basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, exposure at default ("EAD") and loss given default ("LGD"); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

#### 4. INVESTMENTS

	30.09.2023	31.03.2023
	RM	RM
<b>Financial assets at FVTPL</b>		
At nominal value:		
Corporate bonds	<u>1,675,000,000</u>	<u>1,250,000,000</u>
At fair value:		
Corporate bonds	<u>1,685,203,150</u>	<u>1,260,002,900</u>

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

	<b>30.09.2023</b>	<b>31.03.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVOCI</b>		
At nominal value:		
Cagamas bond	45,000,000	45,000,000
Corporate bonds	4,275,000,000	4,592,500,000
Commercial papers	50,000,000	15,000,000
	<u>4,370,000,000</u>	<u>4,652,500,000</u>
At fair value:		
Cagamas bond	45,238,050	45,290,250
Corporate bonds	4,302,683,350	4,601,339,325
Commercial papers	49,874,000	14,971,840
	<u>4,397,795,400</u>	<u>4,661,601,415</u>

An analysis of changes in the fair value and the corresponding ECLs is as follows:

	<b>Stage 1</b>	
	<b>30.09.2023</b>	<b>31.03.2023</b>
	<b>RM</b>	<b>RM</b>
Fair value as at beginning of the financial period/year	5,921,604,315	4,354,818,522
New assets originated or purchased	1,361,530,505	3,373,996,997
Assets derecognised or matured (excluding write-offs)	(1,218,083,350)	(1,775,462,696)
Change in fair value	26,627,037	662,450
Amortisation of premium and accretion at discount, net	(8,679,957)	(32,410,958)
At end of the financial period/year	<u>6,082,998,550</u>	<u>5,921,604,315</u>
ECL as at beginning of the financial period/year	5,127,824	2,887,769
New assets originated or purchased	924,132	2,421,141
Assets derecognised or matured (excluding write-offs)	(636,821)	(239,279)
Changes due to modifications not resulting in derecognition	(2,006,065)	58,193
At end of the financial period/year	<u>3,409,070</u>	<u>5,127,824</u>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows:

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Financial assets at FVTPL</b>					
<b>Corporate bonds</b>					
18.10.2023	Affin Islamic Bank Berhad	20,000,000	20,011,800	20,011,296	0.21
23.10.2023	CIMB Group Holdings Berhad	165,000,000	165,145,200	165,189,204	1.71
02.11.2023	Fortune Premiere Sdn. Bhd.	20,000,000	20,015,000	20,025,978	0.21
29.03.2024	Hong Leong Financial Group Berhad	50,000,000	50,196,000	50,158,726	0.52
28.06.2024	CIMB Group Holdings Berhad	105,000,000	105,624,750	105,659,084	1.10
11.10.2024	Amanat Lebuhraya Rakyat Berhad	25,000,000	25,109,750	25,000,000	0.26
12.12.2024	DRB-HICOM Berhad	75,000,000	75,263,250	75,000,000	0.78
17.12.2024	Fortune Premiere Sdn. Bhd.	5,000,000	4,989,900	4,973,519	0.05
27.02.2025	TG Excellence Berhad	95,000,000	93,434,400	94,395,205	0.97
24.06.2025	7-Eleven Malaysia Holdings Berhad	20,000,000	20,112,400	20,011,722	0.21



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVTPL (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
25.07.2025	Sarawak Petchem Sdn. Bhd.	50,000,000	50,436,000	50,000,000	0.52
05.09.2025	Fortune Premiere Sdn. Bhd.	35,000,000	35,572,250	35,469,437	0.37
13.10.2025	Amanat Lebuhraya Rakyat Berhad	25,000,000	25,213,500	25,000,000	0.26
31.10.2025	Fortune Premiere Sdn. Bhd.	5,000,000	5,086,900	5,087,281	0.05
03.12.2025	CIMB Group Holdings Berhad	65,000,000	63,947,000	65,000,000	0.66
13.01.2026	Malayan Cement Berhad	10,000,000	10,097,400	10,000,000	0.11
27.02.2026	Malaysian Resources Corporation Berhad	70,000,000	70,457,800	70,042,109	0.73
23.06.2026	S P Setia Berhad	20,000,000	20,092,200	20,000,000	0.21
27.07.2026	Sarawak Petchem Sdn. Bhd.	40,000,000	40,781,600	40,000,000	0.42
11.09.2026	Fortune Premiere Sdn. Bhd.	30,000,000	29,751,300	29,612,050	0.31
21.04.2027	S P Setia Berhad	125,000,000	125,210,000	125,000,000	1.30

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVTPL (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
29.04.2027	Hong Leong Bank Berhad	200,000,000	200,716,000	200,000,000	2.08
27.07.2027	Sarawak Petchem Sdn. Bhd.	35,000,000	35,944,650	35,000,000	0.37
24.08.2027	Bank Islam Malaysia Berhad	100,000,000	101,373,000	101,010,372	1.05
26.08.2027	DRB-HICOM Berhad	105,000,000	107,520,000	105,000,000	1.12
09.09.2027	EDOTCO Malaysia Sdn. Bhd.	45,000,000	45,351,000	45,000,000	0.47
04.10.2027	Johor Port Berhad	5,000,000	5,171,150	5,000,000	0.05
11.11.2027	Petroleum Sarawak Exploration & Production Sdn. Bhd.	95,000,000	98,546,350	95,170,235	1.02
16.11.2027	Dialog Group Berhad	35,000,000	34,032,600	34,087,672	0.35
<b>Total corporate bonds</b>		<b>1,675,000,000</b>	<b>1,685,203,150</b>	<b>1,675,903,890</b>	<b>17.47</b>
<b>Total financial assets at FVTPL</b>		<b>1,675,000,000</b>	<b>1,685,203,150</b>	<b>1,675,903,890</b>	<b>17.47</b>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Financial assets at FVOCI</b>					
<b>Cagamas bond</b>					
01.11.2024	Cagamas Berhad	45,000,000	45,238,050	45,000,000	0.47
<b>Total Cagamas bond</b>		<b>45,000,000</b>	<b>45,238,050</b>	<b>45,000,000</b>	<b>0.47</b>
<b>Corporate bonds</b>					
18.10.2023	AmBank Islamic Berhad*	50,000,000	50,021,500	50,100,786	0.52
23.10.2023	Affin Islamic Bank Berhad	125,000,000	125,067,500	125,102,068	1.30
26.10.2023	Perbadanan Kemajuan Negeri Selangor	5,000,000	5,002,250	5,005,674	0.05
30.10.2023	Public Bank Berhad	30,000,000	30,025,500	30,039,514	0.31
31.10.2023	Perbadanan Kemajuan Negari Selangor	5,000,000	5,002,700	5,006,769	0.05
31.10.2023	Southern Power Generation Sdn. Bhd.	5,000,000	5,003,650	5,004,991	0.05
07.11.2023	Bank Islam Malaysia Berhad	195,000,000	195,253,500	195,356,852	2.03
10.11.2023	AEON Co. (M) Berhad	5,000,000	4,996,750	4,996,710	0.05
15.11.2023	AmBank (M) Berhad*	20,000,000	20,023,800	20,000,000	0.21
29.11.2023	ANIH Berhad	50,000,000	50,115,500	50,143,878	0.52

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
11.12.2023	Kedah Cement Sdn. Bhd.	15,000,000	15,002,700	15,009,356	0.16
18.12.2023	Bermaz Auto Berhad	10,000,000	9,983,900	9,995,525	0.10
17.01.2024	Perbadanan Kemajuan Negeri Selangor	35,000,000	34,938,750	35,002,469	0.36
26.01.2024	Toyota Capital Malaysia Sdn. Bhd.	10,000,000	9,992,300	9,992,803	0.10
16.02.2024	UEM Sunrise Berhad	73,000,000	72,899,990	73,024,261	0.76
21.03.2024	Telekom Malaysia Berhad	5,000,000	5,027,500	5,030,253	0.05
22.03.2024	UEM Sunrise Berhad	25,000,000	25,043,250	25,097,430	0.26
12.06.2024	CIMB Group Holdings Berhad	10,000,000	10,003,700	10,000,000	0.10
14.06.2024	Hong Leong Financial Group Berhad	92,000,000	92,241,960	92,734,776	0.96
08.07.2024	CIMB Thai Bank Public Company Limited	20,000,000	19,995,000	20,015,157	0.21
29.07.2024	Public Bank Berhad	35,000,000	35,055,650	35,216,265	0.36

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
27.08.2024	BGSM Management Sdn. Bhd.	5,000,000	4,961,050	4,961,768	0.05
13.09.2024	CIMB Group Holdings Berhad	20,000,000	20,160,600	20,246,092	0.21
25.09.2024	Malayan Banking Berhad	55,000,000	54,967,550	55,404,379	0.57
11.10.2024	YTL Power International Berhad	80,000,000	80,774,400	80,924,940	0.84
17.10.2024	Press Metal Aluminium Holdings Berhad	50,000,000	50,064,500	50,163,816	0.52
31.10.2024	Southern Power Generation Sdn. Bhd.	5,000,000	5,047,750	5,072,930	0.05
29.11.2024	ANIH Berhad	5,000,000	5,080,900	5,074,235	0.05
13.12.2024	Malaysia Airports Holdings Berhad	80,000,000	81,128,000	81,253,257	0.84
13.12.2024	Sabah Development Bank Bhd.	400,000,000	401,756,000	399,994,419	4.17
18.12.2024	Public Bank Berhad	5,000,000	4,996,250	4,983,260	0.05
20.12.2024	MBSB Bank Berhad	30,000,000	30,293,400	30,000,000	0.31

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
24.12.2024	Toyota Capital Malaysia Sdn. Bhd.	20,000,000	19,985,800	20,015,297	0.21
03.02.2025	Hong Leong Assurance Berhad	15,000,000	14,902,950	14,949,258	0.15
21.02.2025	Perbadanan Kemajuan Negeri Selangor	25,000,000	24,901,500	25,002,458	0.26
21.02.2025	Sabah Development Bank Bhd.	200,000,000	200,942,000	200,000,000	2.08
27.02.2025	Toyota Capital Malaysia Sdn. Bhd.	5,000,000	4,978,500	4,945,231	0.05
12.03.2025	Aeon Credit Service (M) Berhad	20,000,000	19,850,600	19,854,552	0.21
26.03.2025	Bank Islam Malaysia Berhad	45,000,000	44,727,300	45,143,010	0.46
23.05.2025	Tanjung Bin Energy Sdn. Bhd.	75,000,000	75,318,000	75,054,232	0.78
29.05.2025	Perbadanan Kemajuan Negeri Selangor	55,000,000	55,113,300	55,000,000	0.57
19.06.2025	Perbadanan Kemajuan Negeri Selangor	30,000,000	30,067,500	30,000,581	0.31

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
26.06.2025	Perbadanan Kemajuan Negeri Selangor	50,000,000	50,113,500	50,004,285	0.52
30.06.2025	Danum Capital Berhad	110,000,000	110,475,200	110,000,000	1.15
04.07.2025	Edra Energy Sdn. Bhd.	5,000,000	5,148,250	5,183,589	0.05
11.07.2025	Perbadanan Kemajuan Negeri Selangor	80,000,000	80,202,400	80,000,000	0.83
30.07.2025	TNB Western Energy Berhad	5,000,000	5,084,850	5,081,105	0.05
04.09.2025	Exsim Capital Resources Berhad	30,000,000	30,138,900	30,085,101	0.31
19.09.2025	UEM Sunrise Berhad	20,000,000	20,166,800	19,827,504	0.21
20.10.2025	RHB Bank Berhad	5,000,000	4,891,800	4,872,281	0.05
21.10.2025	Bank Islam Malaysia Berhad	15,000,000	14,818,050	15,000,000	0.15
27.10.2025	Alliance Bank Malaysia Berhad	35,000,000	34,499,150	34,727,856	0.36
31.10.2025	UEM Sunrise Berhad	10,000,000	10,109,300	10,136,777	0.10
05.11.2025	UMW Holdings Berhad	5,000,000	4,907,250	4,930,945	0.05

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
12.11.2025	MMC Corporation Berhad	5,000,000	5,155,250	5,150,901	0.05
12.12.2025	UEM Sunrise Berhad	70,000,000	71,295,000	70,000,000	0.74
30.01.2026	UEM Sunrise Berhad	80,000,000	81,461,600	80,082,121	0.85
09.03.2026	BGSM Management Sdn. Bhd.	5,000,000	5,146,900	5,169,803	0.05
16.03.2026	Tanjung Bin Energy Sdn. Bhd.	15,000,000	15,173,850	15,001,649	0.16
30.03.2026	YTL Power International Berhad	135,000,000	136,004,400	135,090,720	1.41
30.04.2026	UDA Holdings Berhad	55,000,000	55,217,250	55,064,896	0.57
22.05.2026	Tanjung Bin Energy Sdn. Bhd.	25,000,000	25,208,000	25,028,935	0.26
19.06.2026	UEM Sunrise Berhad	100,000,000	101,626,000	100,000,000	1.05
03.07.2026	AEON Co. (M) Berhad	30,000,000	30,070,200	30,000,000	0.31
21.08.2026	Lebuhraya DUKE Fasa 3 Sdn. Bhd.	5,000,000	5,045,450	5,048,130	0.05
28.08.2026	MTT Shipping Sdn. Bhd.	35,000,000	35,211,400	35,000,000	0.37
15.09.2026	Tanjung Bin Energy Sdn. Bhd.	10,000,000	10,140,500	10,040,027	0.11



## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
25.09.2026	Malayan Banking Berhad	20,000,000	19,922,200	20,214,179	0.21
27.11.2026	ANIH Berhad	15,000,000	15,683,400	15,669,977	0.16
21.12.2026	MBSB Bank Berhad	5,000,000	5,086,100	5,089,079	0.05
29.01.2027	TNB Western Energy Berhad	10,000,000	10,264,500	10,275,742	0.11
08.03.2027	AmBank (M) Berhad*	200,000,000	199,164,000	200,000,000	2.06
08.03.2027	AmBank Islamic Berhad*	60,000,000	59,828,400	60,000,000	0.62
16.03.2027	Tanjung Bin Energy Sdn. Bhd.	15,000,000	15,245,400	15,032,936	0.16
19.03.2027	IJM Corporation Berhad	10,000,000	10,207,100	10,195,669	0.11
25.03.2027	Genting RMTN Berhad	25,000,000	25,221,250	25,043,982	0.26
31.03.2027	GENM Capital Berhad	10,000,000	10,022,200	9,953,375	0.10
15.04.2027	MBSB Bank Berhad	25,000,000	24,972,000	25,000,000	0.26
21.04.2027	RHB Islamic Bank Berhad	75,000,000	74,670,000	75,000,000	0.77
03.05.2027	YTL Power International Berhad	15,000,000	15,435,150	15,407,436	0.16
21.05.2027	Tanjung Bin Energy Sdn. Bhd.	40,000,000	40,516,800	40,063,315	0.42

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
08.06.2027	Genting Capital Berhad	25,000,000	24,930,750	24,756,782	0.26
18.06.2027	UEM Sunrise Berhad	70,000,000	71,679,300	70,000,000	0.75
30.06.2027	PONSB Capital Berhad	25,000,000	25,723,000	25,000,000	0.27
20.07.2027	Bank Muamalat Malaysia Berhad	25,000,000	25,486,250	25,000,000	0.26
26.07.2027	Affin Bank Berhad	30,000,000	30,369,300	30,000,000	0.31
30.07.2025	TNB Western Energy Berhad	10,000,000	10,301,900	10,314,420	0.11
03.09.2027	YTL Power International Berhad	45,000,000	46,399,050	45,078,188	0.48
08.09.2027	CIMB Group Holdings Berhad	30,000,000	30,184,500	30,000,000	0.31
15.09.2027	Tanjung Bin Energy Sdn. Bhd.	35,000,000	35,656,950	34,697,153	0.37
27.09.2027	IJM Land Berhad	5,000,000	4,920,300	4,920,001	0.05
12.10.2027	AmBank (M) Berhad*	75,000,000	76,946,250	75,000,000	0.80
27.10.2027	United Overseas Bank (Malaysia) Bhd.	70,000,000	71,880,200	70,000,000	0.75

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of investments as at 30 September 2023 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Financial assets at FVOCI (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
29.10.2027	Eco World Capital Berhad	60,000,000	62,802,600	60,446,936	0.65
28.03.2028	AmBank (M) Berhad*	15,000,000	15,027,150	15,000,000	0.16
29.03.2028	CIMB Thai Bank Public Company Limited	50,000,000	50,362,000	50,000,000	0.52
05.05.2028	GENM Capital Berhad	70,000,000	70,033,600	70,000,000	0.73
27.06.2028	AmBank (M) Berhad*	50,000,000	50,053,500	50,000,000	0.52
10.08.2028	Eco World Capital Berhad	45,000,000	45,774,900	45,036,821	0.48
17.06.2033	Hong Leong Bank Berhad	30,000,000	29,886,900	30,000,000	0.31
<b>Total corporate bonds</b>		<b>4,275,000,000</b>	<b>4,302,683,350</b>	<b>4,282,641,868</b>	<b>44.60</b>
<b>Commercial paper</b>					
19.04.2023	Sunway Treasury Sukuk Sdn. Bhd.	50,000,000	49,874,000	49,864,980	0.52
<b>Total commercial paper</b>		<b>50,000,000</b>	<b>49,874,000</b>	<b>49,864,980</b>	<b>0.52</b>
<b>Total financial assets at FVOCI</b>		<b>4,370,000,000</b>	<b>4,397,795,400</b>	<b>4,377,506,848</b>	<b>45.59</b>
<b>Total investments</b>		<b>6,045,000,000</b>	<b>6,082,998,550</b>	<b>6,053,410,738</b>	<b>63.06</b>
<b>Excess of fair value over adjusted cost</b>			<b>29,587,812</b>		

\* The issuer for these securities are related parties to the Manager.

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 5. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	30.09.2023 RM	31.03.2023 RM
At nominal value:		
Fixed deposits	1,240,000,000	740,000,000
Short-term deposits	-	2,000,000,000
	<u>1,240,000,000</u>	<u>2,740,000,000</u>
At carrying value:		
Fixed deposits	1,272,937,945	747,230,466
Short-term deposits	-	2,003,750,411
	<u>1,272,937,945</u>	<u>2,750,980,877</u>

Details of deposits with licensed financial institutions are as follows:

Maturity date	Financial institutions	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
<b>30.09.2023</b>				
<b>Fixed deposits</b>				
09.10.2023	RHB Bank Berhad	300,000,000	306,182,876	3.18
20.12.2023	RHB Bank Berhad	240,000,000	248,245,479	2.57
19.01.2024	Public Bank Berhad	250,000,000	257,654,795	2.67
19.01.2024	RHB Bank Berhad	250,000,000	257,654,795	2.67
08.02.2024	CIMB Bank Berhad	200,000,000	203,200,000	2.11
	<b>Total fixed deposits</b>	<u>1,240,000,000</u>	<u>1,272,937,945</u>	<u>13.20</u>
	<b>Total deposits</b>	<u>1,240,000,000</u>	<u>1,272,937,945</u>	<u>13.20</u>

#### 6. AMOUNT DUE TO MANAGER

	30.09.2023 RM	31.03.2023 RM
<b>Due to Manager</b>		
Manager's fee payable	6,536,424	6,958,094
	<u>6,536,424</u>	<u>6,958,094</u>

Manager's fee is at a rate of 0.75% (31.03.2023: 0.75%) per annum on the NAV of the Fund, calculated on a daily basis.

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

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.025% (31.03.2023: 0.025%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### 8. NET GAIN/(LOSS) FROM INVESTMENTS

	01.04.2023 to 30.09.2023 RM	01.04.2022 to 30.09.2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net unrealised gain/(loss) on changes in fair value of investments	3,990,864	(10,648,487)
– Net realised (loss)/gain on sale of investments	(108,279)	351,217
	<u>3,882,585</u>	<u>(10,297,270)</u>
Net gain/(loss) on financial assets at FVOCI comprised:		
– Allowance for expected credit losses	1,718,754	(469,216)
– Net realised losses on sale of investments	(461,120)	(20,505)
	<u>1,257,634</u>	<u>(489,721)</u>

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	30.09.2023 RM	31.03.2023 RM
Unit holders' capital	(a)	9,542,183,819	9,438,744,745
Retained earnings			
– Realised losses	(b)	(3,368,786)	(5,097,866)
– Unrealised gains	(c)	9,299,259	5,308,395
Fair value reserve	(d)	23,697,620	2,780,201
Capital reserve	10	74,025,398	72,151,063
		<u>9,645,837,310</u>	<u>9,513,886,538</u>

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 9. TOTAL EQUITY (CONT'D.)

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

	30.09.2023		31.03.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	9,438,744,745	9,438,744,745	7,211,251,094	7,211,251,094
Creation during the financial period/year	3,034,952,452	3,034,952,452	7,330,688,836	7,330,688,836
Reinvestment of distributions	157,628,405	157,628,405	216,542,705	216,542,705
Cancellation during the financial period/year	(3,089,141,783)	(3,089,141,783)	(5,319,737,890)	(5,319,723,594)
Transfer to capital reserve	-	-	-	(14,296)
At end of the financial period/year	<u>9,542,183,819</u>	<u>9,542,183,819</u>	<u>9,438,744,745</u>	<u>9,438,744,745</u>

##### (b) Realised

	30.09.2023 RM	31.03.2023 RM
At beginning of the financial period/year	(5,097,866)	(2,803,291)
Net realised income for the financial period/year	166,072,997	239,963,985
Transfer to capital reserve (Note 10)	(1,874,335)	(3,679,162)
Distributions out of realised income (Note 14)	(162,469,582)	(238,579,398)
At end of the financial period/year	<u>(3,368,786)</u>	<u>(5,097,866)</u>

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

	30.09.2023 RM	31.03.2023 RM
At beginning of the financial period/year	5,308,395	(76,750)
Net unrealised gains for the financial period/year	3,990,864	5,385,145
At end of the financial period/year	<u>9,299,259</u>	<u>5,308,395</u>

## AmIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 9. TOTAL EQUITY (CONT'D.)

##### (d) Fair value reserve

	30.09.2023 RM	31.03.2023 RM
At beginning of the financial period/year	2,780,201	5,262,844
Fair value revaluation gain/(loss)	22,175,053	(5,805,140)
Reclassification of gains on sale of investments	461,120	1,082,442
Allowance for expected credit losses	(1,718,754)	2,240,055
At end of the financial period/year	<u>23,697,620</u>	<u>2,780,201</u>

#### 10. CAPITAL RESERVE

	30.09.2023 RM	31.03.2023 RM
At beginning of the financial period/year	72,151,063	68,457,605
Transfer from unit holders' capital [Note 9(a)]	-	14,296
Transfer from realised income [Note 9(b)]	1,874,335	3,679,162
At end of the financial period/year	<u>74,025,398</u>	<u>72,151,063</u>

#### 11. NAV ATTRIBUTABLE TO UNIT HOLDERS

In line with the requirement of MFRS 9, unquoted investments at FVOCI have been valued at the indicative prices at the close of business. However, the valuation, creation and cancellation of units will be based on RM1.00 per unit as stated in the trust deed.

#### 12. SIGNIFICANT RELATED PARTY 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

	30.09.2023		31.03.2023	
	Number of units	RM	Number of units	RM
Parties related to the Manager*	2,348,689	2,374,290	2,316,442	2,334,974

## AmIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 12. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

\* The related parties are the legal and beneficial owners of the units. The Manager did not hold any units in the Fund as at 30 September 2023 and 31 March 2023.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions and balances as at the reporting date are as follows:

	01.04.2023 to 30.09.2023 RM	01.04.2022 to 30.09.2022 RM
(i) <b>Significant related party transactions</b>		
<u>AmBank (M) Berhad</u>		
Interest income	7,714,545	6,588,752
	<b>30.09.2023 RM</b>	<b>31.03.2023 RM</b>
(ii) <b>Significant related party balances</b>		
<u>AmBank (M) Berhad</u>		
Cash at banks	2,243,000,821	802,972,312

#### 13. TAXATION

Income tax payable is calculated on investment income less deduction for permitted expenses as provided for 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:

	01.04.2023 to 30.09.2023 RM	01.04.2022 to 30.09.2022 RM
Net income before taxation	170,063,861	90,815,627
Taxation at Malaysian statutory rate of 24% (2022: 24%)	40,815,326	21,795,750
Tax effects of:		
Income not subject to taxation	(50,090,138)	(32,072,709)
Losses not allowed for tax deduction	136,656	2,661,941
Restriction on tax deductible expenses for unit trust fund	7,957,791	6,625,980
Non-permitted expenses for tax purposes	296,165	246,509
Permitted expenses not used and not available for future financial period	884,200	742,529
Tax expense for the financial period	-	-



## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 14. DISTRIBUTIONS

	<b>01.04.2023 to 30.09.2023</b>	<b>01.04.2022 to 30.09.2022</b>
	<b>RM</b>	<b>RM</b>
On redemption of units	798,465	702,187
Income entitlement distributed on:		
30 April 2023/2022	26,081,022	13,180,197
31 May 2023/2022	27,041,778	14,951,081
30 June 2023/2022	26,375,680	15,447,286
31 July 2023/2022	27,723,235	17,499,780
31 August 2023/2022	27,393,622	18,933,366
30 September 2023/2022	27,055,780	18,876,799
	<u>162,469,582</u>	<u>99,590,696</u>

Distributions to unit holders declared for the current and previous financial periods are from the following sources:

	<b>01.04.2023 to 30.09.2023</b>	<b>01.04.2022 to 30.09.2022</b>
	<b>RM</b>	<b>RM</b>
Interest income	200,189,898	130,968,025
Net realised gains on sale of investments	355,332	325,627
	<u>200,545,230</u>	<u>131,293,652</u>
Less: Expenses	<u>(38,075,648)</u>	<u>(31,702,956)</u>
Total amount of distributions	<u>162,469,582</u>	<u>99,590,696</u>
Distributions made out of:		
Realised income [Note 9(b)]	<u>162,469,582</u>	<u>99,590,696</u>
Comprising:		
Reinvestment of distributions	132,880,738	76,896,185
Distribution payables	27,055,779	18,876,829
Cash distributions	2,533,065	3,817,682
	<u>162,469,582</u>	<u>99,590,696</u>

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

Details of distributions to unit holders for the current and previous financial periods are as follows:

##### Financial period ended 30 September 2023

<b>Distributions Ex-date</b>	<b>Gross distributions per unit RM (sen)</b>	<b>Net distributions per unit RM (sen)</b>	<b>Total distributions RM</b>
30 April 2023	0.27	0.27	26,204,407
31 May 2023	0.28	0.28	27,180,514
30 June 2023	0.28	0.28	26,586,141
31 July 2023	0.29	0.29	27,896,880
31 August 2023	0.29	0.29	27,473,635
30 September 2023	0.28	0.28	27,128,005
	<u>1.69</u>	<u>1.69</u>	<u>162,469,582</u>

##### Financial period ended 30 September 2022

<b>Distributions Ex-date</b>	<b>Gross distributions per unit RM (sen)</b>	<b>Net distributions per unit RM (sen)</b>	<b>Total distributions RM</b>
30 April 2022	0.18	0.18	13,348,239
31 May 2022	0.20	0.20	14,971,362
30 June 2022	0.20	0.20	15,671,003
31 July 2022	0.21	0.21	17,537,928
31 August 2022	0.23	0.23	19,112,438
30 September 2022	0.22	0.22	18,949,726
	<u>1.24</u>	<u>1.24</u>	<u>99,590,696</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.

The gross and net distributions of the Fund are of similar amounts as the Fund is not subject to tax. The above distributions have no implication on unit prices as the NAV per unit of the Fund was maintained at RM1.00 throughout the financial period.

The distributions declared for the financial period ended 30 September 2022 have been proposed before taking into account the net unrealised loss of RM10,648,487 arising during the financial period which are carried forward to the next financial period.

## AmlIncome

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

#### 15. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.04.2023 to 30.09.2023	01.04.2022 to 30.09.2022
	RM	RM
Manager’s fee	0.38	0.38
Trustee’s fee	0.01	0.01
Fund’s other expenses	-*	-*
Total TER	<u>0.39</u>	<u>0.39</u>

\* represents less than 0.01%.

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.

#### 16. 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 0.13 times (01.04.2022 to 30.09.2022: 0.13 times).

#### 17. 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.

#### 18. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 30 September 2023 are as follows:

	Transaction value	
	RM	%
AmBank (M) Berhad*	490,015,534	31.37
RHB Investment Bank Berhad	354,733,567	22.71
Kenanga Investment Bank Berhad	249,092,055	15.95
United Overseas Bank (Malaysia) Bhd	110,685,922	7.09
Hong Leong Bank Berhad	106,043,326	6.79
AmBank Islamic Berhad*	65,040,500	4.16
CIMB Bank Berhad	54,830,781	3.51
AmInvestment Bank Berhad*	50,000,000	3.20
Hong Leong Investment Bank Berhad	45,261,424	2.90
Standard Chartered Bank Malaysia Berhad	20,885,044	1.34
Other brokers	15,265,486	0.98
Total	<u>1,561,853,639</u>	<u>100.00</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

**18. TRANSACTIONS WITH THE FINANCIAL INSTITUTIONS (CONT'D.)**

\* Financial institutions related to the Manager.

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

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

**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, 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 Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

**(a) Market risk**

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

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

**(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.

**(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 invests up to 100% of its 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

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

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

For deposits with licensed financial institutions, the Fund only makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

**(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 holders. 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.

**(d) Single issuer risk**

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed by issuer is managed based on internal/external ratings.

**(e) Regulatory risk**

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

**(f) Management risk**

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

**(g) Non-compliance risk**

This is the risk of the Manager, the Trustee or the Fund not complying with internal policies, the Deed of the Fund, securities law or guidelines issued by the regulators. Non-compliance risk may adversely affect the investments of the Fund when the Fund is forced to rectify the non-compliance.

**(h) Unstable NAV risk**

Unstable NAV risk means that the actual NAV per unit of the Fund may fluctuate with the market and may not be maintained at or above its initial price (RM1.00) at all times. This is the risk especially applicable to money market and short-to-medium-term fixed income funds that are priced at RM1.00.

## **AmIncome**

### **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 134: Interim Financial Reporting so as to give a true and fair view of the financial position of AmIncome (“the Fund”) as at 30 September 2023 and the comprehensive income, the changes in equity and cash flows of the Fund for the financial period then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

20 November 2023

## **TRUSTEE'S REPORT**

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

We have acted as Trustee of the Fund for the financial period ended 30 September 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 period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
20 November 2023

## DIRECTORY

Head Office 9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan, 50200 Kuala Lumpur  
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210  
Email: enquiries@aminvest.com

Postal Address AmFunds Management Berhad  
P.O Box 13611, 50816 Kuala Lumpur

*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.)*



