

Annual Report for

AmMalaysia Equity

31 October 2023



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
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Board of Directors

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

Investment Committee

Arnold Lim Boon Lay
Tracy Chen Wee Keng
Goh Wee Peng

Trustee

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 audited accounts of AmMalaysia Equity ("Fund") for the financial year ended 31 October 2023.

Salient Information of the Fund

Name	AmMalaysia Equity ("Fund")
Category/ Type	Equity / Growth
Objective	<p>The Fund's investment objective is to provide long-term capital appreciation by investing in equity securities of companies listed on Bursa Malaysia Berhad. The Fund will invest in companies across a wide range of industries with above average growth potential*.</p> <p><i>Note:</i> <i>*Above average growth potential in this context refers to the earnings growth higher than the market average.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Duration	The Fund was established on 17 March 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.
Performance Benchmark	<p>FTSE Bursa Malaysia Emas Index ("FBM Emas") (Available at www.aminvest.com / www.bursamalaysia.com)</p> <p><i>Note: The benchmark does not imply that the risk profile of the Fund is the same as the risk profile of the benchmark. Investors of the Fund will assume a higher risk compared to the benchmark. Hence, the returns of the Fund may be potentially higher due to the higher risk faced by the investors.</i></p> <p><i>Source: FTSE International Limited ("FTSE") © FTSE 2023. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "BURSA MALAYSIA" is a trade mark of Bursa Malaysia Berhad ("BURSA MALAYSIA"). All intellectual property rights in the index values and constituent list vests in FTSE and BURSA MALAYSIA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.</i></p>
Income Distribution Policy	Income distribution (if any) is incidental.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 October are as follows:			
		As at 31 October		
		2023	2022	2021
		%	%	%
	Consumer discretionary	7.96	6.72	7.95
	Consumer staples	6.07	6.24	6.47
	Energy	2.25	1.45	3.38
	Exchange Traded Funds	-	-	1.87
	Financials	26.92	31.65	28.97
	Health care	3.28	2.62	1.82
	Industrials	14.07	11.30	12.27
	Information technology	11.88	8.92	10.71
	Materials	5.70	4.37	6.67
	REITs/Real estate	2.37	1.62	-
Telecommunication services	5.07	6.89	8.09	
Utilities	6.40	4.79	4.67	
Money market deposits and cash equivalents	8.03	13.43	7.13	
Total	100.00	100.00	100.00	
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 October are as follows:			
		FYE	FYE	FYE
		2023	2022	2021
	Net asset value (RM)	6,031,848	5,096,854	6,409,370
	Units in circulation	3,259,777	2,841,024	3,265,070
	Net asset value per unit (RM)	1.8504	1.7940	1.9630
	Highest net asset value per unit (RM)	1.8968	1.9372	2.0084
	Lowest net asset value per unit (RM)	1.7616	1.7198	1.8216
	Benchmark performance (%)	2.78	-10.45	8.91
	Total return (%) ⁽¹⁾	3.70	-8.57	6.57
	- Capital growth (%)	3.14	-8.57	6.57
	- Income distribution (%)	0.56	-	-
	Gross distribution (sen per unit)	1.00	-	-
	Net distribution (sen per unit)	1.00	-	-
Total expense ratio (%) ⁽²⁾	1.96	1.90	1.81	
Portfolio turnover ratio (times) ⁽³⁾	0.73	0.53	1.15	
	<i>Note:</i>			
	<i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.</i>			
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER increased by 0.06% as compared to 1.90% per annum for the financial year ended 31 October 2022 mainly due to increase in expenses.</i>			
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2023 and decrease for 2022 were due mainly to investing activities.</i>			

Average Total Return (as at 31 October 2023)

	AmMalaysia Equity ^(a) %	FBM Emas ^(b) %
One year	3.70	2.78
Three years	0.35	0.08
Five years	5.19	-2.00
Ten years	6.13	-1.65

Annual Total Return

Financial Years Ended (31 October)	AmMalaysia Equity ^(a) %	FBM Emas ^(b) %
2023	3.70	2.78
2022	-8.57	-10.45
2021	6.57	8.91
2020	22.14	-6.12
2019	4.33	-3.94

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

(b) FTSE Bursa Malaysia Emas Index ("FBM Emas")

(Available at www.aminvest.com / www.bursamalaysia.com)

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

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

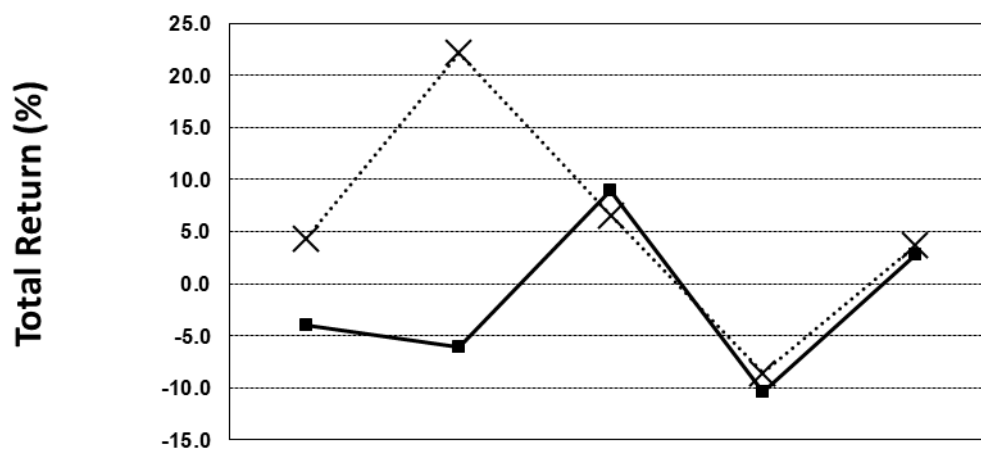
Fund Performance

For the financial year under review, the Fund registered a return of 3.70% comprising of 3.14% capital growth and 0.56% income distribution.

Thus, the Fund's return of 3.70% has outperformed the benchmark's return of 2.78% by 0.92%.

As compared with the financial year ended 31 October 2022, the net asset value ("NAV") per unit of the Fund has increased by 3.14% from RM1.7940 to RM1.8504, while units in circulation have increased by 14.74% from 2,841,024 units to 3,259,777 units.

The following line chart shows comparison between the annual performances of AmMalaysia Equity and its benchmark, FBM Emas, for the financial years ended 31 October.



	2019	2020	2021	2022	2023
···X··· Fund	4.33	22.14	6.57	-8.57	3.70
—■— Benchmark	-3.94	-6.12	8.91	-10.45	2.78

Financial Years Ended (31 October)

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

Strategies and Policies Employed

For the financial year under review, the Fund invested primarily in Malaysian equities. Liquid assets are strategically used for defensive measures in the short-term, if the Manager views market risk to be high.

The Manager adopted a top-down investment approach followed by both quantitative and qualitative screens for stock selection. The Fund will actively balance between 'growth' and 'defensive' stocks depending on the Manager's view of the market cycle. The asset allocation and stock selection will be reviewed periodically depending on the country's economic and stock market outlook.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 October 2023 and 31 October 2022.

	As at 31.10.2023 %	As at 31.10.2022 %	Changes %
Consumer discretionary	7.96	6.72	1.24
Consumer staples	6.07	6.24	-0.17
Energy	2.25	1.45	0.80
Financials	26.92	31.65	-4.73
Health care	3.28	2.62	0.66
Industrials	14.07	11.30	2.77
Information technology	11.88	8.92	2.96
Materials	5.70	4.37	1.33
REITs/Real estate	2.37	1.62	0.75
Telecommunication services	5.07	6.89	-1.82
Utilities	6.40	4.79	1.61
Money market deposits and cash equivalents	8.03	13.43	-5.40
Total	100.00	100.00	

At the end of the financial year under review, there were some changes to the portfolio, the most notable being the increase in exposure to Information Technology

	and Industrials at the expense of Financials. The Fund also reduced its cash holdings from 13.43% to 8.03%.								
Securities Lending/ Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).								
Cross Trade	There were no cross trades undertaken during the financial year under review.								
Distribution/ Unit Splits	<p>During the financial year under review, the Fund declared income distribution, detailed as follows:</p> <table border="1"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>23-Oct-23</td> <td>1.00</td> <td>1.8566</td> <td>1.8466</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	23-Oct-23	1.00	1.8566	1.8466
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
23-Oct-23	1.00	1.8566	1.8466						
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.								
Rebates and Soft Commission	<p>During the year, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund’s benchmark indices. All of these assists in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.</p> <p>The company has soft commission arrangement with a total of 11 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund’s benchmark indices. All of these assists in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>								
Market Review	<p>For the reporting period under review, the FBMKLCI declined by 1.25%, while Dow Jones gained 0.98%. The small caps outperformed the big caps with the Bursa Small Cap index gained 10.95% for the same period under review. In terms of sector performance, the Property sector outperformed other sectors, advancing +38.22%. In contrast, the Consumer sector underperformed, down by -2.69%. The top three gainers in KLCI components stocks were Tenaga Nasional (+22.11%), CelcomDigi (+15.13%) and Press Metal (+14.75%) and while the top losers were MR DIY Group (-25.61%), Axiata Group (-18.23%) and Petronas Chemicals Group (-12.93%).</p> <p>The focus for 4Q22 in Malaysia was on the 15th General Elections (GE15). GE15 ended as expected—a hung parliament—with no coalition crossing the needed 112 seats. Despite some initial complications, Anwar Ibrahim was finally sworn in as Malaysia’s 10th Prime Minister on 24 November via a unity government comprising of Pakatan Harapan (PH), Barisan Nasional (BN) and Gabungan Parti Sarawak (GPS) as the largest blocs. Since his appointment, sweeping measures were announced, amongst them: an audit of all direct contract awards, a review of the 5G SPV Digital</p>								

	<p>Nasional Bhd, dismissal of political appointees and an investigation of funds used by the previous Perikatan Nasional government. And while Malaysia may have ended the year without Budget 2023 yet to be tabled, a date was set for February 24th. Anwar Ibrahim commented that the previously tabled budget would stay mostly intact, with the first phase of people's cash aid to be disbursed in January 2023.</p> <p>In the 1Q2023, there were talks of a MY-SG High Speed Rail revival, with MRT Corp confirming that private companies have submitted RFPs. Transport Minister Anthony Loke did say that he was open to a revival of the HSR project, on the assumption that it be private sector driven. PM Anwar and MITI minister Zafrul had both promised 'major investment' announcements to follow from Prime Minister Anwar's trip to Beijing.</p> <p>The 2Q2023 saw companies reporting their earnings for 1QCY23, in which most experienced a QoQ earnings decline given a strong 4QCY22 earnings base. Further weakness was noted in banks, plantations, and oil & gas given the decline in commodity prices and financials following the Silicon Valley Bank fallout in 1Q23. While YoY optics for Malaysian companies were strongly reflective of price increases for consumer companies from a year ago, margins softened QoQ. This was reflected across most sectors due to the increase in minimum wages and electricity tariffs for commercial operations. Despite earnings cuts for banks, on an absolute basis by sector float adjustment, banks remain the key driver supporting the market's earnings base. Following the semi-annual review of the FBMKLCI index, Westports replaced Inari on 19th June, the only tech sector proxy in the index. However, the overall weighting of sectors will not change significantly. Banks will remain the heavyweight.</p> <p>In the 3Q2023, the new government policies (NETR) and reviews of previous ones (12MP) were cause for much of the excitement in Malaysia. The first phase of National Energy Transition Roadmap will bring investments worth RM25bn and benefit utilities players across the entire value chain, accelerate battery storage adoption and set up a carbon capture storage framework. A key highlight was 10 flagship projects, including the establishment of a RE Zone that translates to 4GW of new Renewable Energy. While much of the focus for the quarter was on the 'new economy' appeal, the mid-term review (MTR) of the 12th Malaysia Plan (12MP, 2021-2025), was unveiled, remaining supportive of the sector's prospects, especially for connectivity plays where the pace is speeding up. 10 specific logistics projects were outlined. Combined with other Capex mentioned, estimates are for the pipeline to total RM95 bil (excluding MRT3 and high-speed rail), including private funded projects. While MRT3 was conspicuously missing in the MTR, the transport minister earlier noting the MRT historically relied on off-budget funding. Likewise, the High-Speed Rail revival will remain off balance sheet for now as a private endeavour.</p> <p>In October 2023, Malaysia and Singapore have agreed to jointly develop the Johor-Singapore Special Economic Zone (SEZ). Singapore PM Lee said that as SEZ will improve flow of goods between the two countries, it needs special tax arrangements and bonded warehouses. A feasibility study will be conducted to find an easier arrangement of the flow of people who will be working on both sides with investor companies that would want to prepare a mix of personnel including professional and skilled workers as well as general workers.</p>
<p>Market Outlook</p>	<p>The US market continues to strengthen with investors estimating the hiking cycle is over after the Federal Open Market Committee (FOMC) meeting in November left rates unchanged.</p> <p>On the local front, the recently concluded 3Q23 results season translated to a pick-up in earnings momentum from the previous quarter. This is supported by the ratio of earnings misses-to-beats trending lower based on consensus estimates with earnings from banks and gloves surprising positively. In addition, we saw the return of foreign</p>

	<p>investor interest in Malaysia with the largest monthly net buy for the year of RM1.55 billion.</p> <p>Sentiment on the equity market is expected to improve towards year end as the market digests the positivity from the various government policy announcements, but liquidity may be low as market participants head off for their holidays. Going into 2024, investors should be encouraged by the increasing likelihood that the monetary policy tightening cycle is close to peaking, even as inflation data recedes and the US macroeconomic performance remains resilient. The portfolio continues to position selectively into companies that are beneficiaries of the recent Budget and various government policy announcements.</p>
<p>Additional Information</p>	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) En Izad Shahadi Bin Mohd Sallehuddin, an Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd ('AIFM'), has resigned from the Investment Committee with effect from 30 June 2023. 2) Ms Tracy Chen Wee Keng, the Chief Executive Officer of AmInvestment Bank Berhad has been appointed as Member of the Investment Committee with effect from 30 June 2023. 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. 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 issuance of the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at www.aminvest.com and sent to the Unit Holders on 31 August 2023. 5) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 6) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 7) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.

Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 December 2023

Independent auditors' report to the unit holders of AmMalaysia Equity

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmMalaysia Equity ("the Fund"), which comprise the statement of financial position as at 31 October 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 41.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

**Independent auditors' report to the unit holders of
AmMalaysia Equity (cont'd.)**

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

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

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

Responsibilities of the Manager and the Trustees for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditors' report to the unit holders of
AmMalaysia Equity (cont'd.)**

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

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

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

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

**Independent auditors' report to the unit holders of
AmMalaysia Equity (cont'd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

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

Kuala Lumpur, Malaysia
18 December 2023

AmMalaysia Equity**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023**

	Note	2023 RM	2022 RM
ASSETS			
Investments	4	5,547,323	4,412,240
Dividend receivables		1,083	4,313
Amount due from brokers	5	-	21,735
Deposits with licensed financial institutions	6	505,041	459,031
Cash at banks		22,887	217,178
TOTAL ASSETS		6,076,334	5,114,497
LIABILITIES			
Amount due to broker	5	24,833	-
Amount due to Manager	7	8,696	6,732
Amount due to Trustee	8	257	211
Sundry payables and accruals		10,700	10,700
TOTAL LIABILITIES		44,486	17,643
NET ASSET VALUE (“NAV”) OF THE FUND		6,031,848	5,096,854
EQUITY			
Unit holders’ capital	10(a)	352,723	(385,388)
Retained earnings	10(b)(c)	5,679,125	5,482,242
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	6,031,848	5,096,854
UNITS IN CIRCULATION	10(a)	3,259,777	2,841,024
NAV PER UNIT (RM)		1.8504	1.7940

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

AmMalaysia Equity

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

	Note	2023 RM	2022 RM
INVESTMENT INCOME/(LOSS)			
Dividend/Distribution income		210,943	172,378
Interest income		22,462	9,316
Net gain/(loss) from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	149,768	(586,593)
Other net realised (loss)/gain on foreign currency exchange		(842)	16,074
		<u>382,331</u>	<u>(388,825)</u>
EXPENDITURE			
Manager’s fee	7	(86,968)	(80,476)
Trustee’s fee	8	(2,899)	(2,683)
Audit fee		(5,500)	(5,500)
Tax agent’s fee		(5,200)	(5,200)
Brokerage and other transaction fees		(38,810)	(26,710)
Other expenses		(13,159)	(8,205)
		<u>(152,536)</u>	<u>(128,774)</u>
Net income/(loss) before taxation		229,795	(517,599)
Taxation	12	<u>(393)</u>	<u>(215)</u>
Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year		<u>229,402</u>	<u>(517,814)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income		116,872	88,872
Unrealised gain/(loss)		112,530	(606,686)
		<u>229,402</u>	<u>(517,814)</u>
Distribution for the financial year			
Net distribution	13	<u>32,519</u>	<u>-</u>
Gross distribution per unit (sen)	13	<u>1.00</u>	<u>-</u>
Net distribution per unit (sen)	13	<u>1.00</u>	<u>-</u>

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

AmMalaysia Equity

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

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 November 2022		(385,388)	5,482,242	5,096,854
Total comprehensive income for the financial year		-	229,402	229,402
Creation of units	10(a)	3,904,533	-	3,904,533
Reinvestment of distribution	10(a),13	32,519	-	32,519
Cancellation of units	10(a)	(3,198,941)	-	(3,198,941)
Distribution	13	-	(32,519)	(32,519)
Balance at 31 October 2023		<u>352,723</u>	<u>5,679,125</u>	<u>6,031,848</u>
At 1 November 2021		409,314	6,000,056	6,409,370
Total comprehensive loss for the financial year		-	(517,814)	(517,814)
Creation of units	10(a)	2,088,593	-	2,088,593
Cancellation of units	10(a)	(2,883,295)	-	(2,883,295)
Balance at 31 October 2022		<u>(385,388)</u>	<u>5,482,242</u>	<u>5,096,854</u>

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

AmMalaysia Equity

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

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		3,743,656	3,393,651
Purchase of investments		(4,683,245)	(2,371,457)
Dividend/Distribution received		213,780	173,161
Interest received		22,462	9,316
Manager's fee paid		(85,004)	(81,755)
Trustee's fee paid		(2,853)	(2,723)
Tax agent's fee paid		(5,200)	(5,200)
Payments for other expenses		(57,469)	(40,415)
Net cash (used in)/generated from operating and investing activities		<u>(853,873)</u>	<u>1,074,578</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		3,904,533	2,123,431
Payments for cancellation of units		(3,198,941)	(2,920,573)
Net cash generated from/(used in) financing activities		<u>705,592</u>	<u>(797,142)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(148,281)	277,436
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>676,209</u>	<u>398,773</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>527,928</u>	<u>676,209</u>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	6	505,041	459,031
Cash at banks		22,887	217,178
		<u>527,928</u>	<u>676,209</u>

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

AmMalaysia Equity

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

1. GENERAL INFORMATION

AmMalaysia Equity (“the Fund”) was established pursuant to a Deed dated 3 October 2001 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 first set up with the objectives of providing medium to long-term investors with a vehicle to pool and invest their Funds in order to obtain reasonable returns through investing in securities with management and business philosophies of knowledge, innovation and technology. Pursuant to a unit holders’ meeting held on 2 December 2009 and the adjourned meeting on 22 December 2009, the Fund’s investment objective was modified to provide long-term capital appreciation by investing in equity securities of companies listed on Bursa Malaysia Securities Berhad. The Fund will invest in companies across a wide range of industries with above average growth potential.

The financial statements were authorised for issue by the Manager on 18 December 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 (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

Standards effective during the financial year

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

Description	Effective for financial periods beginning on or after
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>)*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i>)*	1 January 2022

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

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

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.

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts and Amendments to MFRS 17*</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</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</i> <i>Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to</i> <i>Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and</i> <i>Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7</i> <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution</i> <i>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) Dividend/Distribution income

Dividend/Distribution income is recognised when the Fund's right to receive payment is established.

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

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

3.1 Income recognition (cont'd.)

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(iii) 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 Foreign currency transactions

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

3.5 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.

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

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

3.6 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 dividend/distribution income, 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.

3.7 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").

3.8 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 YEAR ENDED 31 OCTOBER 2023**

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

3.9 Financial assets under MFRS 9

Classification and measurement

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

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

Financial assets at amortised cost

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

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Dividend/Distribution revenue and interest earned elements of such instruments are recorded separately in "Dividend/Distribution income" and "Interest income" respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

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

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

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

Classification and measurement (cont'd.)

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

Financial assets at FVTPL (cont'd.)

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

The Fund subsequently measures its investments in equity investments and collective investment schemes ("CIS") at FVTPL. Dividend/Distribution earned whilst holding the investments are recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

3.10 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the 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.

3.11 Derecognition of financial instruments

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and
 - 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.

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

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

3.11 Derecognition of financial instruments (cont'd.)

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

3.12 Financial instruments – expected credit losses (“ECL”)

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

3.13 Determination of fair value

For investments in local quoted equity securities and CIS, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. For investments in foreign listed securities, which are quoted in the respective stock exchanges, fair value will be determined based on the published market price quoted by the respective exchanges at the end of each business day. For the investments in unquoted CIS, fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the quoted price that the Fund paid when buying its investments. The difference between the purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3.14 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on the disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

AmMalaysia Equity

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

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

3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investments as financial assets at FVTPL as the Fund may sell its investments in the short-term for profit-taking or to meet unit holders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. INVESTMENTS

	2023 RM	2022 RM
Financial assets at FVTPL		
Quoted CIS	112,450	53,320
Quoted equity securities	5,434,873	4,358,920
	<u>5,547,323</u>	<u>4,412,240</u>

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

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted CIS				
REITs				
Pavilion Real Estate Investment Trust	45,000	54,450	54,900	0.91
YTL Hospitality Real Investment Trust	58,000	58,000	56,795	0.96
Total quoted CIS	<u>103,000</u>	<u>112,450</u>	<u>111,695</u>	<u>1.87</u>

AmMalaysia Equity

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

4. INVESTMENTS (CONT'D.)

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

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities - local				
Consumer discretionary				
Berjaya Food Berhad	40,000	27,200	38,828	0.45
Bonia Corporation Berhad	15,000	26,100	35,023	0.43
Genting Berhad	57,000	229,710	263,704	3.81
Genting Malaysia Berhad	46,000	111,320	126,421	1.85
Mr D.I.Y. Group (M) Berhad	58,000	85,840	121,984	1.42
	<u>216,000</u>	<u>480,170</u>	<u>585,960</u>	<u>7.96</u>
Consumer staples				
Guan Chong Berhad	42,000	91,140	116,637	1.51
IOI Corporation Berhad	16,000	62,880	62,883	1.04
Kuala Lumpur Kepong Berhad	2,000	43,960	42,873	0.73
QL Resources Berhad	10,000	55,300	53,166	0.92
Sime Darby Plantation Berhad	26,000	112,840	111,987	1.87
	<u>96,000</u>	<u>366,120</u>	<u>387,546</u>	<u>6.07</u>
Energy				
Dialog Group Berhad	37,000	79,550	107,072	1.32
Yinson Holdings Berhad	23,000	56,350	54,906	0.93
	<u>60,000</u>	<u>135,900</u>	<u>161,978</u>	<u>2.25</u>
Financials				
Bank Islam Malaysia Berhad	14,000	30,100	36,438	0.50
CIMB Group Holdings Berhad	53,000	302,630	239,927	5.02
Hong Leong Bank Berhad	2,000	38,800	36,650	0.64
Malayan Banking Berhad	56,000	505,120	455,414	8.37
Public Bank Berhad	130,000	540,800	512,219	8.97
RHB Bank Berhad	37,000	206,460	212,866	3.42
	<u>292,000</u>	<u>1,623,910</u>	<u>1,493,514</u>	<u>26.92</u>
Health care				
Focus Point Holdings Berhad	50,600	39,215	40,129	0.65
IHH Healthcare Berhad	23,000	138,000	143,405	2.29
Top Glove Corporation Bhd.	28,000	20,300	27,300	0.34
	<u>101,600</u>	<u>197,515</u>	<u>210,834</u>	<u>3.28</u>

AmMalaysia Equity

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

4. INVESTMENTS (CONT'D.)

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

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities - local (cont'd.)				
Industrials				
CTOS Digital Berhad	53,000	76,850	82,230	1.28
Frontken Corporation Berhad	17,000	54,060	48,809	0.90
Kinergy Advancement Berhad	324,000	103,680	106,417	1.72
Malaysia Airports Holdings Berhad	16,000	118,240	100,913	1.96
Malaysian Resources Corporation Berhad	122,000	52,460	53,938	0.87
MISC Berhad	15,000	108,750	115,553	1.80
My E.G. Services Berhad	113,000	88,140	88,460	1.46
Pentamaster Corporation Berhad	8,000	40,000	41,782	0.66
Samaiden Group Berhad	32,000	35,200	37,212	0.58
Sime Darby Berhad	50,000	114,500	111,506	1.90
Solarvest Holdings Berhad	15,000	18,900	18,145	0.31
Vestland Berhad	30,000	10,650	10,500	0.18
Volcano Berhad	30,000	27,300	26,830	0.45
	<u>825,000</u>	<u>848,730</u>	<u>842,295</u>	<u>14.07</u>
Information technology				
Aurelius Technologies Berhad	13,000	32,760	33,069	0.54
Cape EMS Berhad	26,700	30,171	31,840	0.50
Cloudpoint Technology Berhad	51,000	30,600	30,411	0.51
D & O Green Technologies Berhad	17,000	55,760	60,404	0.93
Datasonic Group Berhad	268,000	115,240	124,304	1.91
Genetec Technology Berhad	32,000	75,520	79,143	1.25
Greatch Technology Berhad	23,000	106,260	114,091	1.76
Inari Amertron Berhad	17,400	49,590	49,700	0.82
Malaysian Pacific Industries Berhad	1,000	25,740	27,060	0.43
NationGate Holdings Berhad	65,000	74,750	86,440	1.24
Unisem (M) Berhad	18,000	53,280	74,201	0.88
V.S. Industry Berhad	75,000	66,750	75,038	1.11
	<u>607,100</u>	<u>716,421</u>	<u>785,701</u>	<u>11.88</u>

AmMalaysia Equity

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

4. INVESTMENTS (CONT'D.)

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

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities - local (cont'd.)				
Materials				
PETRONAS Chemicals Group Berhad	24,000	176,160	209,240	2.92
Press Metal Aluminium Holdings Berhad	34,100	167,772	187,483	2.78
	<u>58,100</u>	<u>343,932</u>	<u>396,723</u>	<u>5.70</u>
Real estate				
Sime Darby Property Berhad	<u>49,000</u>	<u>30,135</u>	<u>30,351</u>	<u>0.50</u>
Telecommunication services				
Axiata Group Berhad	53,000	115,540	183,894	1.92
CelcomDigi Berhad	12,000	50,760	50,978	0.84
Telekom Malaysia Berhad	16,000	81,120	69,907	1.34
TIME dotCom Berhad	11,000	58,520	41,850	0.97
	<u>92,000</u>	<u>305,940</u>	<u>346,629</u>	<u>5.07</u>
Utilities				
Tenaga Nasional Berhad	<u>39,000</u>	<u>386,100</u>	<u>418,234</u>	<u>6.40</u>
Total quoted equity securities	<u>2,435,800</u>	<u>5,434,873</u>	<u>5,659,765</u>	<u>90.10</u>
Total financial assets at FVTPL	<u>2,538,800</u>	<u>5,547,323</u>	<u>5,771,460</u>	<u>91.97</u>
Shortfall of fair value over purchased cost		<u>(224,137)</u>		

5. AMOUNT DUE FROM/TO BROKERS

Amount due from/to brokers arose from the sale/purchase of investments. The settlement period is within two business days from the transaction.

AmMalaysia Equity

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

6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2023 RM	2022 RM
At nominal value:		
Short-term deposits	<u>505,000</u>	<u>459,000</u>
At carrying value:		
Short-term deposits	<u>505,041</u>	<u>459,031</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 %
2023				
Short-term deposits				
01.11.2023	CIMB Bank Berhad	205,000	205,017	3.40
01.11.2023	Public Bank Berhad	300,000	300,024	4.97
		<u>505,000</u>	<u>505,041</u>	<u>8.37</u>

The weighted average effective interest rate and weighted average remaining maturities of short-term deposits are as follows:

	Weighted average effective interest rate		Weighted average remaining maturities	
	2023 %	2022 %	2023 Day	2022 Day
Short-term deposits	<u>3.00</u>	<u>2.50</u>	<u>1</u>	<u>1</u>

7. AMOUNT DUE TO MANAGER

	2023 RM	2022 RM
Due to Manager		
Manager's fee payable	<u>8,696</u>	<u>6,732</u>

Manager's fee is at a rate of 1.50% (2022: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis.

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

AmMalaysia Equity

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

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.05% (2022: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis.

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

9. NET GAIN/(LOSS) FROM INVESTMENTS

	2023 RM	2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	37,238	19,452
– Net realised gain on foreign currency exchange	-	641
– Net unrealised gain/(loss) on changes in fair value of investments	112,530	(607,837)
– Net unrealised gain on foreign currency fluctuation of investments denominated in foreign currency	-	1,151
	<u>149,768</u>	<u>(586,593)</u>

10. TOTAL EQUITY

Total equity is represented by:

	Note	2023 RM	2022 RM
Unit holders' capital	(a)	352,723	(385,388)
Retained earnings			
– Realised income	(b)	5,903,262	5,818,909
– Unrealised losses	(c)	<u>(224,137)</u>	<u>(336,667)</u>
		<u>6,031,848</u>	<u>5,096,854</u>

AmMalaysia Equity

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

10. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/units in circulation

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	2,841,024	(385,388)	3,265,070	409,314
Creation during the financial year	2,122,492	3,904,533	1,113,448	2,088,593
Reinvestment of distribution (Note 13)	17,610	32,519	-	-
Cancellation during the financial year	(1,721,349)	(3,198,941)	(1,537,494)	(2,883,295)
At end of the financial year	<u>3,259,777</u>	<u>352,723</u>	<u>2,841,024</u>	<u>(385,388)</u>

The negative balance of unit holders' capital is due to the cancellation of units at a higher NAV per unit following the price appreciation of the Fund as compared to the units being created at a lower NAV per unit in prior years.

(b) Realised - distributable

	2023	2022
	RM	RM
At beginning of the financial year	5,818,909	5,730,037
Net realised income for the financial year	116,872	88,872
Distribution out of realised income (Note 13)	(32,519)	-
At end of the financial year	<u>5,903,262</u>	<u>5,818,909</u>

(c) Unrealised – non-distributable

	2023	2022
	RM	RM
At beginning of the financial year	(336,667)	270,019
Net unrealised gain/(loss) for the financial year	112,530	(606,686)
At end of the financial year	<u>(224,137)</u>	<u>(336,667)</u>

AmMalaysia Equity

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

11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad ("AMMB")	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

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

12. TAXATION

	2023	2022
	RM	RM
Local tax	<u>393</u>	<u>215</u>

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

The taxation charged for the financial year is related to withholding tax derived from local REITs.

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

	2023	2022
	RM	RM
Net income/(loss) before taxation	<u>229,795</u>	<u>(517,599)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	55,151	(124,224)
Tax effects of:		
Income not subject to tax	(91,568)	(52,348)
Losses not allowed for tax deduction	202	145,881
Restriction on tax deductible expenses for unit trust fund	20,155	18,784
Non-permitted expenses for tax purposes	14,214	10,035
Permitted expenses not used and not available for future financial years	<u>2,239</u>	<u>2,087</u>
Tax expense for the financial year	<u>393</u>	<u>215</u>

AmMalaysia Equity

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

13. DISTRIBUTION

Distribution to unit holders for the current financial year are from the following sources:

	2023
	RM
Dividend/Distribution income	144,541
Interest income	15,391
Net realised gain on sale of investments	25,516
	<u>185,448</u>
Less: Expenses	(152,536)
Taxation	(393)
Total amount of distributions	<u>32,519</u>
Gross distribution per unit (sen)	<u>1.00</u>
Net distribution per unit (sen)	<u>1.00</u>
Distribution made out of:	
– Realised income [Note 10(b)]	<u>32,519</u>
Comprising :	
Reinvestment of distribution [Note 10(a)]	<u>32,519</u>

Details of distribution to unit holders for the current financial year are as follows:

Financial year ended 31 October 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
23 October 2023	<u>1.00</u>	<u>1.00</u>	<u>32,519</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.

AmMalaysia Equity

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

14. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	2023 % p.a.	2022 % p.a.
Manager’s fee	1.50	1.50
Trustee’s fee	0.05	0.05
Fund’s other expenses	0.41	0.35
Total TER	<u>1.96</u>	<u>1.90</u>

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

15. 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 0.73 times (2022: 0.53 times).

16. SEGMENTAL REPORTING

The Manager and Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by three segments:

- A portfolio of CIS; and
- A portfolio of equity instruments;
- A portfolio of fixed income instruments, including deposits with licensed financial institutions.

The investment objective of each segment is to achieve consistent returns from the investments in each segment while safeguarding capital by investing in diversified portfolios. There have been no changes in reportable segments in the current financial year.

	Equity portfolio RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
2023				
Dividend/Distribution income	206,996	3,947	-	210,943
Interest income	-	-	22,462	22,462
Net gain from investments:				
- Financial assets at FVTPL	142,226	7,542	-	149,768
Other net realised loss on foreign currency exchange	(842)	-	-	(842)
Total segment investment income for the financial year	<u>348,380</u>	<u>11,489</u>	<u>22,462</u>	<u>382,331</u>

AmMalaysia Equity

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

16. SEGMENTAL REPORTING (CONT'D.)

	Equity portfolio RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
2023 (cont'd.)				
Financial assets at FVTPL	5,434,873	112,450	-	5,547,323
Dividend receivables	1,083	-	-	1,083
Deposits with licensed financial institutions	-	-	505,041	505,041
Total segment assets	<u>5,435,956</u>	<u>112,450</u>	<u>505,041</u>	<u>6,053,447</u>
Amount due to brokers	24,833	-	-	24,833
Total segment liability	<u>24,833</u>	<u>-</u>	<u>-</u>	<u>24,833</u>
2022				
Dividend/Distribution income	168,526	3,852	-	172,378
Interest income	-	-	9,316	9,316
Net (loss)/gain from investments:				
- Financial assets at FVTPL	(587,038)	445	-	(586,593)
Other net realised gain on foreign currency exchange	16,074	-	-	16,074
Total segment investment (loss)/income for the financial year	<u>(402,438)</u>	<u>4,297</u>	<u>9,316</u>	<u>(388,825)</u>
Financial assets at FVTPL	4,358,920	53,320	-	4,412,240
Dividend receivables	4,313	-	-	4,313
Amount due from brokers	21,735	-	-	21,735
Deposit with a licensed financial institution	-	-	459,031	459,031
Total segment assets	<u>4,384,968</u>	<u>53,320</u>	<u>459,031</u>	<u>4,897,319</u>
			2023	2022
			RM	RM
Net reportable segment investment income/(loss)			382,331	(388,825)
Less: Expenses			(152,536)	(128,774)
Net income/(loss) before taxation			229,795	(517,599)
Taxation			(393)	(215)
Net income/(loss) after taxation			<u>229,402</u>	<u>(517,814)</u>

AmMalaysia Equity

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

16. SEGMENTAL REPORTING (CONT'D.)

In addition, certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment. The following table provides reconciliation between the net reportable segment assets and liabilities and total assets and liabilities of the Fund.

	2023 RM	2022 RM
Total segment assets	6,053,447	4,897,319
Cash at banks	22,887	217,178
Total assets of the Fund	<u>6,076,334</u>	<u>5,114,497</u>
Total segment liabilities	24,833	-
Amount due to Manager	8,696	6,732
Amount due to Trustee	257	211
Sundry payables and accruals	10,700	10,700
Total liabilities of the Fund	<u>44,486</u>	<u>17,643</u>

17. TRANSACTIONS WITH BROKERS

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

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Public Investment Bank Berhad	3,025,878	35.89	13,204	33.98
Maybank Investment Bank Berhad	1,396,316	16.56	7,275	18.72
AmInvestment Bank Berhad*	1,235,545	14.66	5,678	14.61
Kenanga Futures Sdn Bhd	793,650	9.42	3,552	9.14
RHB Investment Bank Berhad	777,328	9.22	3,773	9.71
Hong Leong Investment Bank Berhad	345,809	4.10	1,613	4.15
CLSA Securities Malaysia Sdn. Bhd	151,106	1.79	644	1.66
Macquarie Securities (Australia) Limited	132,415	1.57	619	1.59
CGS – CIMB Securities Sdn. Bhd.	128,457	1.52	645	1.66
Nomura Securities Malaysia Sdn. Bhd.	120,410	1.43	520	1.34
Others	323,927	3.84	1,337	3.44
Total	<u>8,430,841</u>	<u>100.00</u>	<u>38,860</u>	<u>100.00</u>

* A financial institution 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 listed equity securities and CIS.

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

18. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2023				
Assets				
Investments	5,547,323	-	-	5,547,323
Dividend receivables	-	1,083	-	1,083
Deposits with licensed financial institutions	-	505,041	-	505,041
Cash at banks	-	22,887	-	22,887
Total financial assets	5,547,323	529,011	-	6,076,334
Liabilities				
Amount due to brokers	-	-	24,833	24,833
Amount due to Manager	-	-	8,696	8,696
Amount due to Trustee	-	-	257	257
Total financial liabilities	-	-	33,786	33,786
2022				
Assets				
Investments	4,412,240	-	-	4,412,240
Dividend receivables	-	4,313	-	4,313
Amount due from broker	-	21,735	-	21,735
Deposit with a licensed financial institution	-	459,031	-	459,031
Cash at banks	-	217,178	-	217,178
Total financial assets	4,412,240	702,257	-	5,114,497
Liabilities				
Amount due to Manager	-	-	6,732	6,732
Amount due to Trustee	-	-	211	211
Total financial liabilities	-	-	6,943	6,943

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

18. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Income, expenses, gains and losses	
	2023	2022
	RM	RM
Net gain/(loss) from financial assets at FVTPL	149,768	(586,593)
Income, of which derived from:		
– Dividend/Distribution income from financial assets at FVTPL	210,943	172,378
– Interest income from financial assets at amortised cost	22,462	9,316
– Other net realised (loss)/gain on foreign currency exchange	(842)	16,074
	<u>149,768</u>	<u>(586,593)</u>

(b) Financial instruments that are carried at fair value

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2023				
Financial assets at FVTPL	<u>5,547,323</u>	<u>-</u>	<u>-</u>	<u>5,547,323</u>
2022				
Financial assets at FVTPL	<u>4,412,240</u>	<u>-</u>	<u>-</u>	<u>4,412,240</u>

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

18. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Dividend receivables
- Amount due from/to brokers
- Deposits with licensed financial institutions
- Cash at banks
- Amount due to Manager
- Amount due to Trustee

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

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, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on 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 risks:

(i) Price risk

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its quoted investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

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

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

(a) Market risk (cont'd.)

(i) Price risk (cont'd.)

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2023 RM	2022 RM
-5.00%	(277,366)	(220,612)
+5.00%	<u>277,366</u>	<u>220,612</u>

(ii) Interest rate risk

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

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

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

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2023 RM	2022 RM
+100 bps	(13)	(12)
-100 bps	<u>13</u>	<u>12</u>

(iii) Currency risk

Currency risk is associated with the Fund's assets and liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

AmMalaysia Equity

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

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

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency.

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2023 RM	2022 RM
-5.00%	(5)	(10,315)
+5.00%	<u>5</u>	<u>10,315</u>

The net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows:

Assets denominated in	2023		2022	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Australian Dollar Cash at bank	<u>-</u>	<u>-</u>	<u>55,835</u>	<u>1.10</u>
United States Dollar Cash at bank	<u>109</u>	<u>-*</u>	<u>150,463</u>	<u>2.95</u>

* represents less than 0.01%

(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. Credit risk applies to short-term deposits and dividend/distribution receivables. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investments to fluctuate in value.

For deposit with a licensed financial institution, the Fund makes placement with financial institution 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.

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

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

(c) Liquidity risk

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

The Fund's financial liabilities have contractual maturities of not more than six months.

(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 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) Country risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the NAV of the Fund may be adversely affected.

(g) Management risk

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

(h) Non-compliance risk

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

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

20. CAPITAL MANAGEMENT

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

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

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

AmMalaysia Equity

STATEMENT BY THE MANAGER

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (“the Manager”), do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmMalaysia Equity (“the Fund”) as at 31 October 2023 and the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

GOH WEE PENG
Executive Director

Kuala Lumpur, Malaysia
18 December 2023

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMMALAYSIA EQUITY ("Fund")

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

1. Limitations imposed on the investment powers of the Management Company under the 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 distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
18 December 2023

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.)*

