

Semi-Annual Report for

# AmPRS - Conservative Fund

29 February 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **PRS Provider**

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  
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

### **Audit and Risk Management Committee**

Ng Chih Kaye  
Zainal Abidin Bin Mohd Kassim  
Jas Bir Kaur A/P Lol Singh  
Azian Binti Kassim

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

## **CONTENTS**

<b>1</b>	PRS Provider's Report
<b>8</b>	Statement of Financial Position
<b>9</b>	Statement of Comprehensive Income
<b>10</b>	Statement of Changes in Net Assets Attributable to Members
<b>11</b>	Statement of Cash Flows
<b>12</b>	Notes to the Financial Statements
<b>34</b>	Statement by the PRS Provider
<b>35</b>	The Scheme Trustee's Report
<b>36</b>	Directory

## PRS PROVIDER'S REPORT

Dear Members,

We are pleased to present you the PRS Provider's report and the unaudited accounts of AmPRS – Conservative Fund ("Fund") for the financial period from 1 September 2023 to 29 February 2024.

### Salient Information of the Fund

<b>Name</b>	AmPRS – Conservative Fund ("Fund")
<b>Category/Type</b>	Core (Conservative) / Growth
<b>Objective</b>	AmPRS – Conservative Fund aims to preserve* capital by investing primarily in fixed income securities and money market instruments.  <i>Note:</i> <i>* Please note that Members' capital is neither guaranteed nor protected. Any material change to the investment objective of the Fund would require Members' approval.</i>
<b>Performance Benchmark</b>	1-year Malayan Banking Berhad Conventional Fixed Deposit Rate ("MBB"). (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )
<b>Income Distribution Policy</b>	Subject to availability of income, distribution (if any) is incidental.  <i>Note: Income distribution (if any) will be in the form of units.</i>

### Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 29 February 2024 and for the past three financial years are as follows:				
		<b>As at 29.02.2024 %</b>	<b>As at 31 August</b>		
			<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>
	Collective investment schemes	-	-	-	0.34
	Commercial papers	-	-	-	23.34
	Corporate bonds	58.63	64.36	69.51	60.95
	Consumer discretionary	1.84	1.72	-	-
	Consumer staples	0.90	0.85	-	1.06
	Financials	3.79	3.62	1.48	1.51
	Industrials	2.70	2.36	1.79	4.32
	Information technology	-	-	2.29	3.12
	Materials	0.48	-	0.76	1.74
	Real estate	-	-	0.19	-
	Telecommunication services	-	1.00	0.37	0.49
	Utilities	1.00	-	-	-
Money market deposits and cash equivalents	30.66	26.09	23.61	3.13	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	

Note: The abovementioned percentages are calculated based on total net asset value.

**Performance Details**

Performance details of the Fund for the financial period ended 29 February 2024 and three financial years ended 31 August are as follows:

	FPE 29.02.2024	FYE 2023	FYE 2022	FYE 2021
Net asset value (RM)				
- Class D	6,556,079	6,099,426	5,622,464	5,505,210
- Class I	19,343,639	19,330,616	18,328,511	17,507,736
Units in circulation				
- Class D	10,556,678	10,110,784	9,669,603	9,101,522
- Class I	31,122,998	32,018,632	31,497,041	28,922,705
Net asset value per unit (RM)				
- Class D	0.6210	0.6033	0.5815	0.6049
- Class I	0.6215	0.6037	0.5819	0.6053
Highest net asset value per unit (RM)				
- Class D	0.6213	0.6033	0.6083	0.7054
- Class I	0.6218	0.6037	0.6087	0.7059
Lowest net asset value per unit (RM)				
- Class D	0.6022	0.5767	0.5809	0.6042
- Class I	0.6027	0.5772	0.5813	0.6047
Benchmark performance (%)				
- Class D	1.37	2.81	1.98	1.85
- Class I	1.37	2.81	1.98	1.85
Total return (%) <sup>(1)</sup>				
- Class D	2.95	3.73	-1.39	1.36
- Class I	2.95	3.75	-1.39	1.35
- Capital growth (%)				
- Class D	2.95	3.73	-3.87	-13.02
- Class I	2.95	3.75	-3.87	-13.02
- Income distribution (%)				
- Class D	-	-	2.48	14.38
- Class I	-	-	2.48	14.37
Gross distribution (sen per unit)				
- Class D	-	-	1.50	10.00
- Class I	-	-	1.50	10.00
Net distribution (sen per unit)				
- Class D	-	-	1.50	10.00
- Class I	-	-	1.50	10.00
Total expense ratio (%) <sup>(2)</sup>	0.57	1.15	1.15	1.04
Portfolio turnover ratio (times) <sup>(3)</sup>	0.11	0.24	0.51	0.77

Note:

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

**Average Total Return (as at 29 February 2024)**

	<b>AmPRS-Conservative Fund<sup>(a)</sup></b> %	<b>MBB<sup>(b)</sup></b> %
<b>One year</b>		
- Class D	5.13	2.82
- Class I	5.14	2.82
<b>Three years</b>		
- Class D	1.67	2.36
- Class I	1.67	2.36
<b>Five years</b>		
- Class D	3.47	2.44
- Class I	3.49	2.44
<b>Ten years</b>		
- Class D	3.97	2.84
- Class I	3.97	2.84

**Annual Total Return**

<b>Financial Years Ended (31 August)</b>	<b>AmPRS-Conservative Fund<sup>(a)</sup></b> %	<b>MBB<sup>(b)</sup></b> %
<b>2023</b>		
- Class D	3.73	2.81
- Class I	3.75	2.81
<b>2022</b>		
- Class D	-1.39	1.98
- Class I	-1.39	1.98
<b>2021</b>		
- Class D	1.36	1.85
- Class I	1.35	1.85
<b>2020</b>		
- Class D	6.25	2.62
- Class I	6.31	2.62
<b>2019</b>		
- Class D	5.87	3.27
- Class I	5.85	3.27

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

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

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

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

**Fund Performance**

Class D

For the financial period under review, the Fund registered a return of 2.95% which is entirely capital growth in nature.

Thus, the Fund's return of 2.95% has outperformed the benchmark's return of 1.37% by 1.58%.

As compared with the financial year ended 31 August 2023, the net asset value (“NAV”) per unit of the Fund increased by 2.93% from RM0.6033 to RM0.6210, while units in circulation increased by 4.41% from 10,110,784 units to 10,556,678 units.

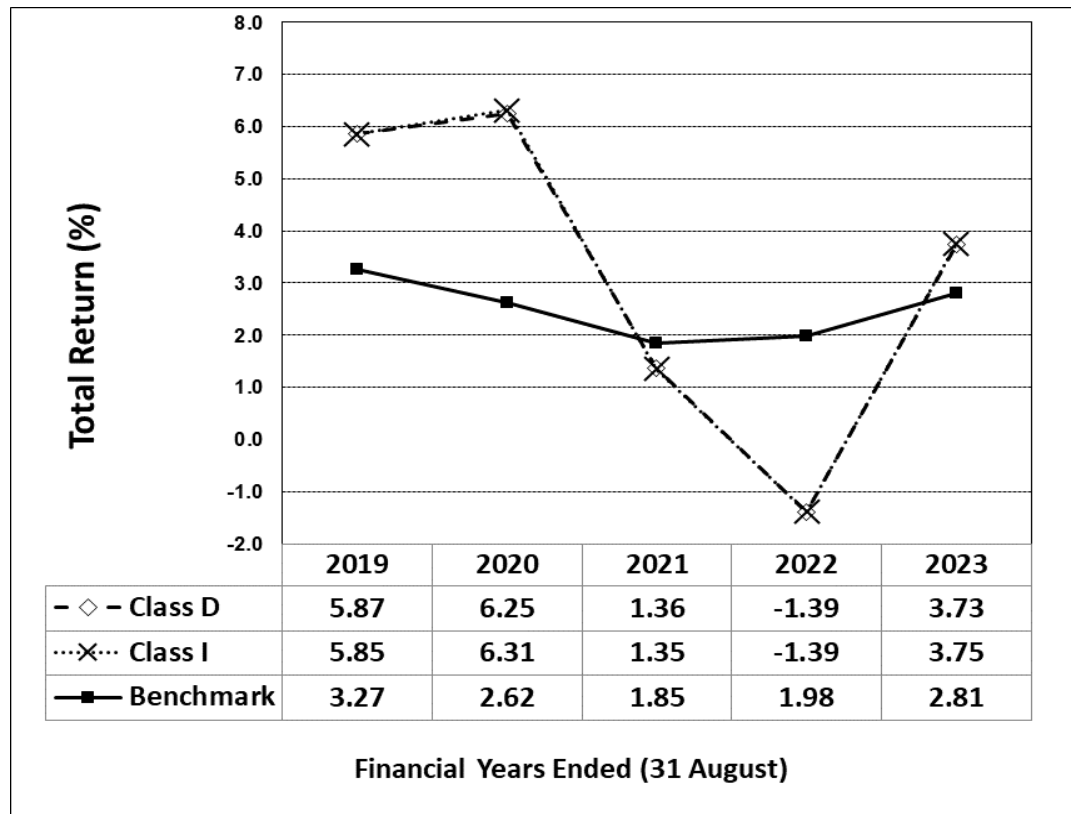
**Class I**

For the financial period under review, the Fund registered a return of 2.95% which is entirely capital growth in nature.

Thus, the Fund’s return of 2.95% has outperformed the benchmark’s return of 1.37% by 1.58%.

As compared with the financial year ended 31 August 2023, the net asset value (“NAV”) per unit of the Fund increased by 2.95% from RM0.6037 to RM0.6215, while units in circulation decreased by 2.80% from 32,018,632 units to 31,122,998 units.

The following line chart shows comparison between the annual performances of AmPRS-Conservative Fund for Class D and Class I and its benchmark, MBB, for the financial years ended 31 August.



**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 period under review, the Fund invested its asset into a well-diversified portfolio comprising fixed income instruments, liquid assets, equities and REITs.</p> <p>The Fund will be restricted to investment in Malaysia and local currency investments. The Fund will not be invested in any RM-denominated foreign investments.</p>																																												
<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 29 February 2024 and 31 August 2023.</p> <table border="1" data-bbox="352 488 1455 974"> <thead> <tr> <th></th> <th style="text-align: center;">As at 29.02.2024 %</th> <th style="text-align: center;">As at 31.08.2023 %</th> <th style="text-align: center;">Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td style="text-align: center;">58.63</td> <td style="text-align: center;">64.36</td> <td style="text-align: center;">-5.73</td> </tr> <tr> <td>Consumer discretionary</td> <td style="text-align: center;">1.84</td> <td style="text-align: center;">1.72</td> <td style="text-align: center;">0.12</td> </tr> <tr> <td>Consumer staples</td> <td style="text-align: center;">0.90</td> <td style="text-align: center;">0.85</td> <td style="text-align: center;">0.05</td> </tr> <tr> <td>Financials</td> <td style="text-align: center;">3.79</td> <td style="text-align: center;">3.62</td> <td style="text-align: center;">0.17</td> </tr> <tr> <td>Industrials</td> <td style="text-align: center;">2.70</td> <td style="text-align: center;">2.36</td> <td style="text-align: center;">0.34</td> </tr> <tr> <td>Materials</td> <td style="text-align: center;">0.48</td> <td style="text-align: center;">-</td> <td style="text-align: center;">0.48</td> </tr> <tr> <td>Telecommunication services</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">-1.00</td> </tr> <tr> <td>Utilities</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td style="text-align: center;">30.66</td> <td style="text-align: center;">26.09</td> <td style="text-align: center;">4.57</td> </tr> <tr> <td></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>For the financial period under review, investments in corporate bonds stood at 58.63%. Meanwhile, money market deposits and cash equivalents increased to 30.66% from 26.09%. There were some changes to equities' sector weights, most notable being the new exposure to materials and utilities sectors while exposure to telecommunication services sector had been reduced to zero.</p>		As at 29.02.2024 %	As at 31.08.2023 %	Changes %	Corporate bonds	58.63	64.36	-5.73	Consumer discretionary	1.84	1.72	0.12	Consumer staples	0.90	0.85	0.05	Financials	3.79	3.62	0.17	Industrials	2.70	2.36	0.34	Materials	0.48	-	0.48	Telecommunication services	-	1.00	-1.00	Utilities	1.00	-	1.00	Money market deposits and cash equivalents	30.66	26.09	4.57		<b>100.00</b>	<b>100.00</b>	
	As at 29.02.2024 %	As at 31.08.2023 %	Changes %																																										
Corporate bonds	58.63	64.36	-5.73																																										
Consumer discretionary	1.84	1.72	0.12																																										
Consumer staples	0.90	0.85	0.05																																										
Financials	3.79	3.62	0.17																																										
Industrials	2.70	2.36	0.34																																										
Materials	0.48	-	0.48																																										
Telecommunication services	-	1.00	-1.00																																										
Utilities	1.00	-	1.00																																										
Money market deposits and cash equivalents	30.66	26.09	4.57																																										
	<b>100.00</b>	<b>100.00</b>																																											
<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>There is no income distribution and unit split declared for the financial period under review.</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 members during the financial period under review.</p>																																												



<b>Rebates and Soft Commission</b>	<p>During the period, the private retirement scheme provider 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 assist in the investment decision-making process which are of demonstrable benefit to members of the Fund.</p> <p>The provider has soft commission arrangement with a total of 11 brokers, who execute trades for the Fund and other funds or investments managed by the provider. 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 assist in the investment decision making process which are of demonstrable benefit to members of the Fund and other funds or investments managed by the provider.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>
<b>Market Review</b>	<p>The Malaysian Government Securities (MGS) saw yields rose across the curve in the month of September and October 2023 as the local bond market took cue from the selloff in the United States Treasuries (UST) during the same period. Much of the movement was due to the more hawkish "higher for longer" guidance from the United States (US) Federal Reserve (Fed). Notably, both the 10-year and 30-year UST touched the psychologically significant 5.00% level. In addition to the external factors, local bond market sentiment was also weighed by concerns over Malaysian government bond supply. However, the sentiment in the local bond market swiftly shifted to a positive stance in November 2023, buoyed by rally in UST on the back of a slew of underwhelming macro data releases and the Israel-Hamas crisis. The local bond market rally extended into the month of December albeit at a lower magnitude after the strong rally in November, tracking UST movements which were driven by aggressive pricing for rate cuts in 2024 following dovish guidance from the last Federal Open Market Committee (FOMC) of the year.</p> <p>Amid profit taking following the strong year-end rally and cautious move ahead of US non-farm payroll data announcement, the local bond market kicked start the year with a sell-down. Following stronger US economic data and hawkish Federal Reserve member's comments, the local market traded sideways, and turned better on the last week of January in tandem with the UST amid lower Personal Consumption Expenditures (PCE) readings resulted in an expectation the Federal Reserve would start unwinding its policy tightening.</p> <p>As the US Fed pushed back on dovish market expectations of US rate cuts following the 31 January FOMC meeting, coupled by the strong US jobs data and higher than expected US inflation prints, the local bond market saw some sell-down in MGS in the belly of the curve. Some buying interest returned to ringgit bonds as US rates began to show some signs of stabilization, however not fully reversing the sell-off in the earlier part of February 2024.</p>
<b>Market Outlook</b>	<p>In the absence of any catalyst on both domestic and foreign fronts, the bond market will trade range bound until there is clarity on the direction of United States (US) Federal Reserve (Fed). We anticipate Bank Negara Malaysia (BNM) to hold the Overnight Policy Rate (OPR) at 3.0% in the absence of any inflationary pressures or economic slowdown. Should the US Fed embark on interest rate easing, sentiments in the local bond market will correspondingly turn bullish and given that this is expected to happen in 2024, we remain overweight on duration against benchmark.</p> <p>We prefer corporate bonds over government bonds on better relative valuation. Government bond yields have compressed considerably since the end of 2023 and</p>

	<p>are deemed to be unattractive. Corporate credit spreads are expected to tighten further and offer better potential for trading play and yield pickup.</p>
<p><b>Additional Information</b></p>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad (AFM), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>2) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li> <li>3) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.</li> </ol>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 April 2024

**AmPRS – Conservative Fund**

**STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2024**

	Note	29.02.2024 (unaudited) RM	31.08.2023 (audited) RM
<b>ASSETS</b>			
Investments	4	17,958,248	18,794,196
Amount due from Provider	5(a)	81,396	21,783
Deposits with licensed financial institutions	6	7,959,015	6,636,252
Cash at bank		10,556	12,681
<b>TOTAL ASSETS</b>		<u>26,009,215</u>	<u>25,464,912</u>
<b>LIABILITIES</b>			
Amount due to Provider	5(b)	98,862	24,386
Amount due to Trustee	7	819	864
Amount due to Private Pension Administrator (“PPA”)	8	819	864
Sundry payables and accruals		8,997	8,756
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<u>109,497</u>	<u>34,870</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO MEMBERS</b>		<u>25,899,718</u>	<u>25,430,042</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS OF THE FUND COMPRISE:</b>			
Members’ contribution	10(a)(b)	24,181,004	24,453,626
Retained earnings	10(c)(d)	1,718,714	976,416
		<u>25,899,718</u>	<u>25,430,042</u>
<b>NET ASSET VALUE</b>			
- Class D		6,556,079	6,099,426
- Class I		19,343,639	19,330,616
		<u>25,899,718</u>	<u>25,430,042</u>
<b>UNITS IN CIRCULATION</b>			
- Class D	10(a)	10,556,678	10,110,784
- Class I	10(b)	31,122,998	32,018,632
<b>NAV PER UNIT (RM)</b>			
- Class D		0.6210	0.6033
- Class I		<u>0.6215</u>	<u>0.6037</u>

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

## AmPRS – Conservative Fund

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

		01.09.2023 to 29.02.2024	01.09.2022 to 28.02.2023
	Note	RM	RM
<b>INVESTMENT INCOME</b>			
Dividend income		40,776	14,874
Interest income		492,646	465,242
Net gains from investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	9	<u>355,675</u>	<u>64,231</u>
		<u>889,097</u>	<u>544,347</u>
<b>EXPENDITURE</b>			
Management fee	5	(126,866)	(122,311)
Trustee's fee	7	(5,075)	(4,892)
PPA administrative fee	8	(5,075)	(4,892)
Audit fee		(2,478)	(2,468)
Tax agent's fee		(1,492)	(1,488)
Brokerage and other transaction fees		(2,510)	(11,592)
Other expenses		<u>(3,303)</u>	<u>(3,209)</u>
		<u>(146,799)</u>	<u>(150,852)</u>
<b>Net income before taxation</b>		742,298	393,495
<b>Taxation</b>	12	<u>-</u>	<u>-</u>
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>742,298</u>	<u>393,495</u>
Total comprehensive income comprises the following:			
Realised income/(loss)		390,115	(70,517)
Unrealised gains		<u>352,183</u>	<u>464,012</u>
		<u>742,298</u>	<u>393,495</u>

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

**AmPRS – Conservative Fund****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS (Unaudited)  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

	Note	Members' contribution - Class D RM	Members' contribution - Class I RM	Retained earnings RM	Total RM
At 1 September 2023		5,857,734	18,595,892	976,416	25,430,042
Total comprehensive income for the financial period		-	-	742,298	742,298
Creation of units	10(a)(b)	505,499	928,727	-	1,434,226
Cancellation of units	10(a)(b)	(233,969)	(1,472,879)	-	(1,706,848)
Balance at 29 February 2024		<u>6,129,264</u>	<u>18,051,740</u>	<u>1,718,714</u>	<u>25,899,718</u>
At 1 September 2022		5,601,398	18,293,813	55,764	23,950,975
Total comprehensive income for the financial period		-	-	393,495	393,495
Creation of units		496,555	1,079,108	-	1,575,663
Cancellation of units		(196,902)	(749,541)	-	(946,443)
Balance at 28 February 2023		<u>5,901,051</u>	<u>18,623,380</u>	<u>449,259</u>	<u>24,973,690</u>

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

## AmPRS – Conservative Fund

### STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

	Note	01.09.2023 to 29.02.2024 RM	01.09.2022 to 28.02.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		3,439,400	5,154,122
Proceeds from maturity of deposits with licensed financial institutions		5,737,000	-
Purchases of investments		(2,279,600)	(3,542,154)
Placement of deposits		(8,737,000)	-
Dividend received		40,776	17,016
Interest received		488,852	527,022
Management fee paid		(129,369)	(122,595)
Trustee's fee paid		(5,120)	(4,962)
PPA administrative fee paid		(5,120)	(4,959)
Payments for other expenses		(9,542)	(16,478)
Net cash (used in)/generated from operating and investing activities		<u>(1,459,723)</u>	<u>2,007,012</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		1,374,613	1,579,188
Payments for cancellation of units		(1,629,869)	(940,852)
Net cash (used in)/generated from financing activities		<u>(255,256)</u>	<u>638,336</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,714,979)</b>	<b>2,645,348</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<b>6,648,933</b>	<b>4,569,408</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		<b><u>4,933,954</u></b>	<b><u>7,214,756</u></b>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	6	4,923,398	7,203,805
Cash at bank		10,556	10,951
		<u>4,933,954</u>	<u>7,214,756</u>

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

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 1. GENERAL INFORMATION

AmPRS – Conservative Fund (the “Fund”) was established pursuant to a Deed dated 4 December 2012 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the PRS Provider (the “Provider”), Deutsche Trustees Malaysia Berhad as the Trustee and all the members.

The Fund aims to preserve capital by investing primarily in fixed income securities and money market instruments. As provided in the Deeds, the financial year shall end on 31 August and the units in the Fund were first offered for sale on 8 April 2013.

The financial statements were authorised for issue by the Provider on 18 April 2024.

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 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 <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: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

##### Standards issued but not yet effective

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

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

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

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

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

#### 3. SUMMARY OF ACCOUNTING POLICIES

##### 3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Dividend income

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

(ii) 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 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

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

(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 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 Members’ contribution**

The members’ contribution of the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* (“MFRS 132”).

Under MFRS 132, a unit trust fund with one common class of members is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liability.

The Fund issues cancellable units in two classes. Details are disclosed in Note 10.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

**3.6 Distribution**

Distribution is at the discretion of the Provider. A distribution to the Fund's members is accounted for as a deduction from realised income and recognised in the statement of comprehensive income, as the members' contribution are classified as financial liability as per Note 3.5. Realised income is the income earned from dividend 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 members 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 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 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

**3.8 Financial assets – classification and subsequent measurement**

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

*Business model*

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

*Cash flow characteristics*

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

**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.

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 3. SUMMARY OF 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:

##### 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 Provider, amount due from brokers/financial institutions, dividend/distribution receivables 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 income and interest earned elements of such instruments are recorded separately in "Dividend income" and "Interest income" respectively.

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 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

**3. SUMMARY OF 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.)*

The Fund subsequently measures its investments in equity investments and CIS at FVTPL. Dividends 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

**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, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. Purchased cost is the quoted price that the Fund paid when buying its investments. 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 Provider and the Trustee. The difference between purchased/adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in 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 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.

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

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

##### 3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Provider 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 members' cancellation of units.

No major judgments have been made by the Provider 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 period.

#### 4. INVESTMENTS

	29.02.2024	31.08.2023
	RM	RM
<b>Financial assets at FVTPL</b>		
Unquoted fixed income securities	15,184,555	16,367,154
Quoted equity securities	<u>2,773,693</u>	<u>2,427,042</u>
	<u>17,958,248</u>	<u>18,794,196</u>

Details of investments as at 29 February 2024 are as follows:

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Unquoted fixed income securities</b>					
<b>Corporate bonds</b>					
14.06.2024	Hong Leong Financial Group Berhad	1,000,000	1,010,449	1,009,189	3.90

**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

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

Details of investments as at 29 February 2024 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>Unquoted fixed income securities (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
12.12.2024	DRB-HICOM Berhad	1,500,000	1,520,689	1,514,959	5.87
19.09.2025	UEM Sunrise Berhad	1,000,000	1,021,713	1,019,004	3.94
28.08.2026	MTT Shipping Sdn. Bhd.	1,500,000	1,509,709	1,500,214	5.83
21.12.2026	MBSB Bank Berhad	1,000,000	1,032,886	1,010,356	3.99
16.11.2027	Dialog Group Berhad	1,000,000	996,712	1,012,052	3.85
20.04.2028	UMW Holdings Berhad	500,000	547,529	551,421	2.11
11.07.2028	GENM Capital Berhad	1,000,000	1,032,800	1,011,847	3.99
17.11.2028	RHB Bank Berhad	350,000	361,834	354,410	1.40
06.04.2029	MMC Port Holdings Sdn. Bhd.	400,000	416,882	407,354	1.61
20.04.2029	S P Setia Berhad	600,000	626,036	609,980	2.42
11.01.2030	Projek Lebuhraya Usahasama Berhad	500,000	521,224	503,074	2.01
03.05.2030	GENM Capital Berhad	300,000	313,015	305,101	1.21
21.06.2030	S P Setia Berhad	1,000,000	1,031,405	1,025,241	3.98
02.06.2032	TNB Power Generation Sdn. Bhd.	500,000	532,301	505,666	2.06



AmPRS – Conservative Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 29 February 2024 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>Unquoted fixed income securities (cont'd.)</b>					
<b>Corporate bonds (cont'd.)</b>					
12.01.2033	Projek Lebuhraya Usahasama Berhad	700,000	745,597	710,635	2.88
22.02.2033	Petroleum Sarawak Exploration & Production Sdn. Bhd.	250,000	261,870	251,170	1.01
02.06.2037	TNB Power Generation Sdn. Bhd.	500,000	557,058	506,088	2.15
26.10.2038	SMJ Sdn. Bhd.	500,000	538,749	508,125	2.08
28.06.2047	Tenaga Nasional Berhad	500,000	606,097	522,718	2.34
<b>Total corporate bonds</b>		<b>14,600,000</b>	<b>15,184,555</b>	<b>14,838,604</b>	<b>58.63</b>
<b>Total unquoted fixed income securities</b>		<b>14,600,000</b>	<b>15,184,555</b>	<b>14,838,604</b>	<b>58.63</b>

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted equity securities</b>				
<b>Consumer discretionary</b>				
Genting Berhad	100,000	477,000	446,159	1.84
<b>Consumer Staples</b>				
QL Resources Berhad	40,000	232,400	213,464	0.90

AmPRS – Conservative Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

4. INVESTMENTS (CONT'D.)

Details of investments as at 29 February 2024 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Quoted equity securities (cont'd.)</b>				
<b>Financials</b>				
CIMB Group Holdings Berhad	54,000	348,840	311,545	1.35
Hong Leong Bank Berhad	5,700	112,404	114,798	0.44
Malayan Banking Berhad	31,000	295,430	268,419	1.14
Public Bank Berhad	25,500	112,200	104,338	0.43
RHB Bank Berhad	20,000	112,000	116,400	0.43
	<u>136,200</u>	<u>980,874</u>	<u>915,500</u>	<u>3.79</u>
<b>Industrials</b>				
Frontken Corporation Berhad	59,250	217,448	193,704	0.84
Malaysia Airports Holdings Berhad	35,000	296,800	233,253	1.15
UWC Berhad	53,700	184,191	242,538	0.71
	<u>147,950</u>	<u>698,439</u>	<u>669,495</u>	<u>2.70</u>
<b>Materials</b>				
PETRONAS Chemicals Group Berhad	18,000	126,000	128,311	0.48
<b>Utilities</b>				
Tenaga Nasional Berhad	23,000	258,980	231,840	1.00
<b>Total quoted equity securities</b>	<u>465,150</u>	<u>2,773,693</u>	<u>2,604,769</u>	<u>10.71</u>
<b>Total financial assets at FVTPL</b>		<u>17,958,248</u>	<u>17,443,373</u>	<u>69.34</u>
<b>Excess of fair value over adjusted/purchased cost</b>		<u>514,875</u>		

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 5. AMOUNT DUE FROM/TO PROVIDER

	Note	29.02.2024 RM	31.08.2023 RM
<b>(a) Due from Provider</b>			
Creation of units	(i)	<u>81,396</u>	<u>21,783</u>
<b>(b) Due to Provider</b>			
Cancellation of units	(ii)	76,979	-
Management fee payable	(iii)	<u>21,883</u>	<u>24,386</u>
		<u>98,862</u>	<u>24,386</u>

(i) This represents amount receivable from the Provider for units created.

(ii) This represents amount payable to the Provider for units cancelled.

The normal credit period in the previous financial year and current financial period for creation and cancellation of units are three business days.

(iii) Management fee is at a rate of 1.00% (31.08.2023: 1.00%) per annum for Class D and 1.00% (31.08.2023: 1.00%) per annum for Class I 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 management fee payable is one month.

#### 6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	29.02.2024 RM	31.08.2023 RM
At nominal value:		
Fixed deposit	3,000,000	-
Short-term deposits	<u>4,898,000</u>	<u>6,624,000</u>
	<u>7,898,000</u>	<u>6,624,000</u>
At carrying value:		
Fixed deposit	3,035,617	-
Short-term deposits	<u>4,923,398</u>	<u>6,636,252</u>
	<u>7,959,015</u>	<u>6,636,252</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS (CONT'D.)

Details of deposits with licensed financial institutions are as follows:

<b>Maturity date</b>	<b>Financial institutions</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>29.02.2024</b>				
<b>Fixed deposit</b>				
15.05.2024	Public Bank Berhad	<u>3,000,000</u>	<u>3,035,617</u>	<u>11.73</u>
<b>Short-term deposits</b>				
01.03.2024	Hong Leong Bank Berhad	898,000	898,074	3.47
01.03.2024	Public Bank Berhad	1,000,000	1,000,082	3.86
18.03.2024	Hong Leong Bank Berhad	<u>3,000,000</u>	<u>3,025,242</u>	<u>11.67</u>
<b>Total short-term deposits</b>		<u>4,898,000</u>	<u>4,923,398</u>	<u>19.00</u>
<b>Total deposits</b>		<u>7,898,000</u>	<u>7,959,015</u>	<u>30.73</u>

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (31.08.2023: 0.04%) per annum for both Class D and Class I 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. AMOUNT DUE TO PPA

PPA administrative fee is at a rate of 0.04% (31.08.2023: 0.04%) per annum for both Class D and Class I 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 PPA's administrative fee payable is one month.

**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

**9. NET GAINS FROM INVESTMENTS**

	<b>01.09.2023 to 29.02.2024</b>	<b>01.09.2022 to 28.02.2023</b>
	<b>RM</b>	<b>RM</b>
Net gains on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of investments	3,492	(399,781)
- Net unrealised gains on changes in fair value of investments	352,183	464,012
	<u>355,675</u>	<u>64,231</u>

**10. NAV ATTRIBUTABLE TO MEMBERS**

Total NAV attributable to members is represented by:

	<b>Note</b>	<b>29.02.2024</b>	<b>31.08.2023</b>
		<b>RM</b>	<b>RM</b>
Members' contribution			
- Class D	(a)	6,129,264	5,857,734
- Class I	(b)	18,051,740	18,595,892
Retained earnings			
- Realised income	(c)	1,203,839	813,724
- Unrealised gains	(d)	514,875	162,692
		<u>25,899,718</u>	<u>25,430,042</u>

The Fund issues cancellable units in two classes as detailed below:

<b>Classes of units</b>	<b>Currency denomination</b>	<b>Category of investors</b>	<b>Distribution policy</b>
Class D	RM	Distributor appointed by the PRS Provider	Incidental
Class I	RM	Employee-Sponsored Retirement Schemes and also employees of any employers with prior arrangement with the PRS Provider	Incidental

The different charges and features for each class are as follows:

- (i) Sales charge
- (ii) Management fee charges

AmPRS – Conservative Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

10. NAV ATTRIBUTABLE TO MEMBERS (CONT'D.)

(a) Members' contribution/units in circulation - Class D

	29.02.2024		31.08.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	10,110,784	5,857,734	9,669,603	5,601,398
Creation during the financial period/year	829,259	505,499	1,093,817	640,958
Cancellation during the financial period/year	<u>(383,365)</u>	<u>(233,969)</u>	<u>(652,636)</u>	<u>(384,622)</u>
At end of the financial period/year	<u>10,556,678</u>	<u>6,129,264</u>	<u>10,110,784</u>	<u>5,857,734</u>

(b) Members' contribution/units in circulation - Class I

	29.02.2024		31.08.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	32,018,632	18,595,892	31,497,041	18,293,813
Creation during the financial period/year	1,518,998	928,727	4,574,488	2,707,363
Cancellation during the financial period/year	<u>(2,414,632)</u>	<u>(1,472,879)</u>	<u>(4,052,897)</u>	<u>(2,405,284)</u>
At end of the financial period/year	<u>31,122,998</u>	<u>18,051,740</u>	<u>32,018,632</u>	<u>18,595,892</u>

(c) Realised – distributable

	29.02.2024	31.08.2023
	RM	RM
At beginning of the financial period/year	813,724	469,846
Net realised income for the financial period/year	<u>390,115</u>	<u>343,878</u>
At end of the financial period/year	<u>1,203,839</u>	<u>813,724</u>

(d) Unrealised – non-distributable

	29.02.2024	31.08.2023
	RM	RM
At beginning of the financial period/year	162,692	(414,082)
Net unrealised gains for the financial period/year	<u>352,183</u>	<u>576,774</u>
At end of the financial period/year	<u>514,875</u>	<u>162,692</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 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 Provider
AmInvestment Bank Berhad	Holding company of the Provider
AMMB Holdings Berhad (“AMMB”)	Ultimate holding company of the Provider
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Provider

There were no units held by the Provider or any related party as at 29 February 2024 and 31 August 2023.

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

	<b>29.02.2024</b>	<b>31.08.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Significant related party transaction</b>		
<u>AmBank (M) Berhad</u>		
Interest income	<u>23,321</u>	<u>11,032</u>

#### 12. TAXATION

Pursuant to Paragraph 20 of Schedule 6 of the Income Tax Act (“ITA”), any income received by an approved scheme as defined under Section 2 of the ITA is exempted from income tax.

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:

	<b>01.09.2023 to</b>	<b>01.09.2022 to</b>
	<b>29.02.2024</b>	<b>28.02.2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>742,298</u>	<u>393,495</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	178,152	94,439
Tax effects of:		
Income not subject to tax	(215,488)	(226,591)
Losses not allowed for tax deduction	2,105	95,947
Restriction on tax deductible expenses	27,938	26,952
Non-permitted expenses for tax purposes	4,189	6,258
Permitted expenses not used and not available for future financial periods	<u>3,104</u>	<u>2,995</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 13. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.09.2023 to 29.02.2024 % p.a.	01.09.2022 to 28.02.2023 % p.a.
Management fee	0.50	0.50
Trustee’s fee	0.02	0.02
PPA administrative fee	0.02	0.02
Fund’s other expenses	0.03	0.03
Total TER	<u>0.57</u>	<u>0.57</u>

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

#### 14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.11 times (01.09.2022 to 28.02.2023: 0.16 times).

#### 15. SEGMENTAL REPORTING

The Provider 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 two segments:

- A portfolio of equity instruments; and
- 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 period.

	Equity portfolio RM	Fixed income portfolio RM	Total RM
<b>01.09.2023 to 29.02.2024</b>			
Dividend income	40,776	-	40,776
Interest income	-	492,646	492,646
Net gains from investments:			
- Financial assets at FVTPL	178,250	177,425	355,675
Total segment investment income for the financial period	<u>219,026</u>	<u>670,071</u>	<u>889,097</u>



**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

**15. SEGMENTAL REPORTING (CONT'D.)**

	<b>Equity portfolio RM</b>	<b>Fixed income portfolio RM</b>	<b>Total RM</b>
<b>01.09.2022 to 28.02.2023</b>			
Dividend income	14,874	-	14,874
Interest income	-	465,242	465,242
Net gains from investments:			
- Financial assets at FVTPL	4,175	60,056	64,231
Total segment investment income for the financial period	<u>19,049</u>	<u>525,298</u>	<u>544,347</u>
<b>29.02.2024</b>			
Financial assets at FVTPL	2,773,693	15,184,555	17,958,248
Deposits with licensed financial institutions	-	7,959,015	7,959,015
Total segment assets	<u>2,773,693</u>	<u>23,143,570</u>	<u>25,917,263</u>
<b>31.08.2023</b>			
Financial asset at FVTPL	2,427,042	16,367,154	18,794,196
Deposits with licensed financial institutions	-	6,636,252	6,636,252
Total segment assets	<u>2,427,042</u>	<u>23,003,406</u>	<u>25,430,448</u>

There is no segment liability as at 29 February 2024 and 31 August 2023.

Expenses of the Fund are not considered part of the performance of any investment segment. The following table provides reconciliation between the net reportable segment income and net income after taxation:

	<b>01.09.2023 to 29.02.2024 RM</b>	<b>01.09.2022 to 28.02.2023 RM</b>
Net reportable segment investment income	889,097	544,347
Less: Expenses	<u>(146,799)</u>	<u>(150,852)</u>
Net income before taxation	742,298	393,495
Taxation	-	-
Net income after taxation	<u>742,298</u>	<u>393,495</u>

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.

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024

#### 15. SEGMENTAL REPORTING (CONT'D.)

	29.02.2024	31.08.2023
	RM	RM
Total segment assets	25,917,263	25,430,448
Amount due from Provider	81,396	21,783
Cash at bank	10,556	12,681
Total assets of the Fund	<u>26,009,215</u>	<u>25,464,912</u>
Amount due to Provider	98,862	24,386
Amount due to Trustee	819	864
Amount due to PPA	819	864
Sundry payables and accruals	8,997	8,756
Total liabilities of the Fund	<u>109,497</u>	<u>34,870</u>

#### 16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 29 February 2024 are as follows:

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
CIMB Bank Berhad	103,763,000	52.95	-	-
Hong Leong Bank Berhad	75,763,252	38.66	-	-
Public Bank Berhad	12,718,000	6.49	-	-
RHB Investment Bank Berhad	2,352,374	1.20	-	-
AmInvestment Bank Berhad*	576,116	0.29	2,191	87.30
AmBank (M) Berhad*	500,000	0.26	-	-
Hong Leong Investment Bank Berhad	202,017	0.10	-	-
Public Investment Bank Berhad	52,050	0.03	199	7.92
MayBank Investment Bank Berhad	27,834	0.02	120	4.78
	<u>195,954,643</u>	<u>100.00</u>	<u>2,510</u>	<u>100.00</u>

\* Financial institutions related to the Provider.

The Provider is of the opinion that the above transactions have been entered into 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 equity securities, fixed income securities and money market deposits. Transactions in fixed income securities and money market deposits do not involve any commission or brokerage fee.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

**17. 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 investments restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Private Retirement Schemes 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 Provider actively monitors the performance and risk profile of the investment portfolio.

**(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.

**(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 dividends receivable. 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 deposits with licensed financial institutions, the Fund makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2023 TO 29 FEBRUARY 2024**

**17. 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 members. 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 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 Provider or the Trustee not complying with their respective internal policies, the Deeds and its Supplemental Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

## **AmPRS – Conservative Fund**

### **STATEMENT BY THE PROVIDER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Provider”), do hereby state that, in the opinion of the Provider, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmPRS – Conservative Fund (the “Fund”) as at 29 February 2024 and of the comprehensive income, the changes in net assets attributable to members and cash flows for the financial period then ended.

For and on behalf of the Provider

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

18 April 2024

## **THE SCHEME TRUSTEE'S REPORT**

### **TO THE MEMBERS OF AMPRS – CONSERVATIVE FUND (“Fund”)**

We have acted as the Scheme Trustee of the Fund for the financial period ended 29 February 2024 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 PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
18 April 2024

## **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

### **Distributors**

For more details on the list of distributors, please contact the PRS Provider.

*For enquiries about this Scheme and any other funds offered by the PRS Provider  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday-Thursday)  
Friday 8.45 a.m. to 5.00 p.m.*

