

Semi-Annual Report for

AmPRS - Islamic Balanced Fund

29 February 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

PRS Provider

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

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

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Tracy Chen Wee Keng
Goh Wee Peng

Investment Manager

AmIslamic Funds Management Sdn Bhd

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PRS PROVIDER’S REPORT

Dear Members,

We are pleased to present you the PRS Provider’s report and the unaudited accounts of AmPRS – Islamic Balanced Fund (“Fund”) for the financial period from 1 September 2023 to 29 February 2024.

Salient Information of the Fund

Name	AmPRS – Islamic Balanced Fund (“Fund”)
Category/ Type	Balanced (Islamic) / Growth
Objective	<p>AmPRS – Islamic Balanced Fund aims to provide medium to long term capital growth by investing in Shariah Compliant equities, Sukuk and Islamic money market instruments.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Members’ approval.</i></p>
Performance Benchmark	<ul style="list-style-type: none"> • 25% FTSE Bursa Malaysia Emas Shariah Index (“25% FBM SI”) • 25% MSCI AC Asia Pacific Islamic ex Japan Index (“25% MSCI AC AP Islamic ex-Japan”) • 50% Quantshop Medium* GII Index (“55% MGII”) (Available at www.aminvest.com) <p><i>Note:</i> *Medium means the duration is between three (3) years to seven (7) years.</p> <p><i>Source: FTSE International Limited (“FTSE”) © FTSE 2024. “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> <p><i>Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).</i></p>

	<p>The blended returns are calculated by AmFunds Management Berhad using end of day index level values licensed from MSCI (“MSCI Data”). For the avoidance of doubt, MSCI is not the benchmark “administrator” for, or a “contributor”, “submitter” or “supervised contributor” to, the blended returns, and the MSCI Data is not considered a “contribution” or “submission” in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided “AS IS” without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.</p> <p>Note: Blended return refers to returns from blending the end of day index level values of:</p> <p>(i) one or more MSCI Index(es); and</p> <p>(ii) one or more non MSCI index (es).</p>
Income Distribution Policy	<p>Subject to availability of income, distribution (if any) is incidental.</p> <p>Note : Income distribution (if any) will be in the forms of units.</p>

Fund Performance Data

Portfolio Composition	<p>Details of portfolio composition of the Fund as at 29 February 2024 and for the past three financial years are as follows:</p>				
	As at 29.02.2024 %	As at 31 August			
		2023 %	2022 %	2021 %	
Collective investment schemes	42.67	43.12	45.79	42.89	
Consumer discretionary	1.98	3.68	2.04	3.05	
Consumer staples	11.50	6.50	4.95	1.37	
Energy	1.47	1.46	1.05	2.17	
Financials	2.33	1.85	1.39	1.46	
Health care	2.03	1.89	-	1.40	
Industrials	4.45	6.26	7.55	10.59	
Information technology	7.99	10.52	11.37	17.22	
Materials	5.64	5.83	6.23	3.21	
Real estate	4.68	5.59	6.45	4.45	
Telecommunication services	2.05	1.94	-	-	
Utilities	1.94	1.76	1.77	2.56	
Money market deposits and cash equivalents	11.27	9.60	11.41	9.63	
Total	100.00	100.00	100.00	100.00	
	<p>Note: The abovementioned percentages are calculated based on total net asset value.</p>				

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	1,811,332	1,696,821	1,468,477	1,389,576
- Class I	2,081,867	2,059,630	1,889,962	1,956,741
Units in circulation				
- Class D	2,624,732	2,501,823	2,225,838	1,887,193
- Class I	2,981,687	3,005,193	2,842,048	2,643,030
Net asset value per unit (RM)				
- Class D	0.6901	0.6782	0.6597	0.7363
- Class I	0.6982	0.6854	0.6650	0.7403
Highest net asset value per unit (RM)				
- Class D	0.6941	0.6783	0.7417	0.8237
- Class I	0.7023	0.6854	0.7459	0.8262
Lowest net asset value per unit (RM)				
- Class D	0.6639	0.6324	0.6358	0.7116
- Class I	0.6712	0.6376	0.6406	0.7150
Benchmark performance (%)				
- Class D	4.97	4.16	-7.16	3.03
- Class I	4.97	4.16	-7.16	3.03
Total return (%) ⁽¹⁾				
- Class D	1.74	3.07	-10.62	-3.49
- Class I	1.87	3.33	-10.40	-3.24
- Capital growth (%)				
- Class D	1.74	3.07	-10.62	-10.76
- Class I	1.87	3.33	-10.40	-10.49
- Income distribution (%)				
- Class D	-	-	-	7.27
- Class I	-	-	-	7.25
Gross distribution (sen per unit)				
- Class D	-	-	-	6.00
- Class I	-	-	-	6.00
Net distribution (sen per unit)				
- Class D	-	-	-	6.00
- Class I	-	-	-	6.00
Total expense ratio (%) ⁽²⁾	0.97	1.95	3.19	1.91
Portfolio turnover ratio (times) ⁽³⁾	0.13	0.30	0.43	0.74

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)

	AmPRS - Islamic Balanced Fund^(a) %	25% FBM SI, 25% MSCI AC AP Islamic ex-Japan, 50% MGII^(b) %
One year		
- Class D	3.88	7.76
- Class I	4.13	7.76
Three years		
- Class D	-2.45	0.47
- Class I	-2.20	0.47
Five years		
- Class D	5.31	3.66
- Class I	5.55	3.66
Ten years		
- Class D	4.13	3.67
- Class I	4.25	3.67

Annual Total Return

Financial Years Ended (31 August)	AmPRS - Islamic Balanced Fund^(a) %	25% FBM SI, 25% MSCI AC AP Islamic ex-Japan, 50% MGII^(b) %
2023		
- Class D	3.07	4.16
- Class I	3.33	4.16
2022		
- Class D	-10.62	-7.16
- Class I	-10.40	-7.16
2021		
- Class D	-3.49	3.03
- Class I	-3.24	3.03
2020		
- Class D	32.92	12.35
- Class I	33.24	12.35
2019		
- Class D	3.73	-0.07
- Class I	3.72	-0.07

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

(b) 25% FTSE Bursa Malaysia Emas Shariah Index ("FBM SI"), 25% MSCI AC Asia Pacific Islamic ex Japan Index ("MSCI AC AP Islamic ex Japan"), 50% Quantshop Medium* GII Index ("MGII"). (Available at 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 1.74% which is entirely capital growth in nature.

Thus, the Fund's return of 1.74% has underperformed the benchmark's return of 4.97% by 3.23%.

As compared with the financial year ended 31 August 2023, the net asset value ("NAV") per unit of the Fund increased by 1.75% from RM0.6782 to RM0.6901, while units in circulation increased by 4.91% from 2,501,823 units to 2,624,732 units.

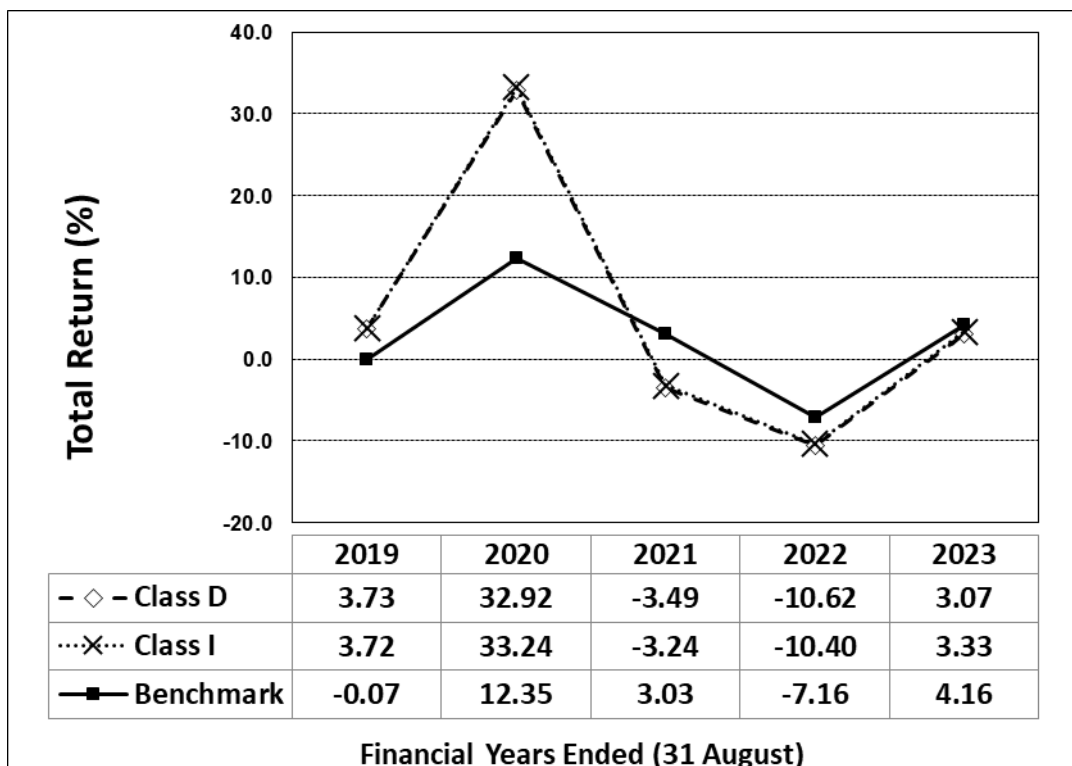
Class I

For the financial period under review, the Fund registered a return of 1.87% which is entirely capital growth in nature.

Thus, the Fund's return of 1.87% has underperformed the benchmark's return of 4.97% by 3.10%.

As compared with the financial year ended 31 August 2023, the net asset value ("NAV") per unit of the Fund increased by 1.87% from RM0.6854 to RM0.6982, while units in circulation decreased by 0.78% from 3,005,193 units to 2,981,687 units.

The following line chart shows comparison between the annual performances of AmPRS - Islamic Balanced Fund for Class D and Class I and its benchmark 25% FBM SI, 25% MSCI AC AP Islamic ex-Japan and 50% MGII, 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.

Strategies and Policies Employed	<p>For the financial period under review, the Fund invested its assets into a well-diversified portfolio comprising Shariah Compliant equities, Sukuk and Islamic money market instruments, Islamic REITs and Islamic Liquid Assets.</p> <p>The Shariah Compliant securities that the Fund invested in are traded and/or listed in the following countries, which includes but not limited to Australia, Hong Kong, Malaysia, New Zealand, Singapore, South Korea, Taiwan and Thailand. Shariah Compliant foreign investments (if any) will be limited to 40% of the Fund's NAV.</p> <p>In order to achieve the investment objective, the Investment Manager opted to invest in the Shariah Compliant securities either directly or via Islamic collective investment schemes ("CIS") of AmFunds Management Berhad ("AFM") or other Islamic CIS such as ETF that's comply with Shariah principle.</p>																																																												
Portfolio Structure	<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="368 696 1445 1323"> <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>Collective investment schemes</td> <td style="text-align: center;">42.67</td> <td style="text-align: center;">43.12</td> <td style="text-align: center;">-0.45</td> </tr> <tr> <td>Consumer discretionary</td> <td style="text-align: center;">1.98</td> <td style="text-align: center;">3.68</td> <td style="text-align: center;">-1.70</td> </tr> <tr> <td>Consumer staples</td> <td style="text-align: center;">11.50</td> <td style="text-align: center;">6.50</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Energy</td> <td style="text-align: center;">1.47</td> <td style="text-align: center;">1.46</td> <td style="text-align: center;">0.01</td> </tr> <tr> <td>Financials</td> <td style="text-align: center;">2.33</td> <td style="text-align: center;">1.85</td> <td style="text-align: center;">0.48</td> </tr> <tr> <td>Health care</td> <td style="text-align: center;">2.03</td> <td style="text-align: center;">1.89</td> <td style="text-align: center;">0.14</td> </tr> <tr> <td>Industrials</td> <td style="text-align: center;">4.45</td> <td style="text-align: center;">6.26</td> <td style="text-align: center;">-1.81</td> </tr> <tr> <td>Information technology</td> <td style="text-align: center;">7.99</td> <td style="text-align: center;">10.52</td> <td style="text-align: center;">-2.53</td> </tr> <tr> <td>Materials</td> <td style="text-align: center;">5.64</td> <td style="text-align: center;">5.83</td> <td style="text-align: center;">-0.19</td> </tr> <tr> <td>Real estate</td> <td style="text-align: center;">4.68</td> <td style="text-align: center;">5.59</td> <td style="text-align: center;">-0.91</td> </tr> <tr> <td>Telecommunication services</td> <td style="text-align: center;">2.05</td> <td style="text-align: center;">1.94</td> <td style="text-align: center;">0.11</td> </tr> <tr> <td>Utilities</td> <td style="text-align: center;">1.94</td> <td style="text-align: center;">1.76</td> <td style="text-align: center;">0.18</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td style="text-align: center;">11.27</td> <td style="text-align: center;">9.60</td> <td style="text-align: center;">1.67</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">100.00</td> <td style="text-align: center;">100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial period under review, 88.73% of the Fund's NAV was invested in Shariah Compliant securities and CIS while the remaining 11.27% was in cash.</p> <p>During the period under review, the Fund increased exposure in consumer staples by 5.00%. On the other hand, the Fund reduced exposure in information technology, industrials and consumer discretionary by 2.53%, 1.81% and 1.70% respectively.</p>		As at 29.02.2024 %	As at 31.08.2023 %	Changes %	Collective investment schemes	42.67	43.12	-0.45	Consumer discretionary	1.98	3.68	-1.70	Consumer staples	11.50	6.50	5.00	Energy	1.47	1.46	0.01	Financials	2.33	1.85	0.48	Health care	2.03	1.89	0.14	Industrials	4.45	6.26	-1.81	Information technology	7.99	10.52	-2.53	Materials	5.64	5.83	-0.19	Real estate	4.68	5.59	-0.91	Telecommunication services	2.05	1.94	0.11	Utilities	1.94	1.76	0.18	Money market deposits and cash equivalents	11.27	9.60	1.67	Total	100.00	100.00	
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Securities Lending / Repurchase Transactions	<p>The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").</p>																																																												
Cross Trade	<p>There were no cross trades undertaken during the financial period under review.</p>																																																												
Distribution/ Unit splits	<p>There is no income distribution and unit split declared for the financial period under review.</p>																																																												

State of Affairs	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.
Rebates and Soft Commission	<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>
Market Review	<p><u>Equity</u></p> <p>Asia Pacific equities market started the period under review on a negative note, dragged by the rapid rise in United States (US) treasury yields with market participants attributing the rise to several factors, including concern that the Federal Reserve (Fed) will keep interest rates higher for longer. Fears over growing geopolitical tension and underwhelming corporate quarterly earnings triggered further selloffs.</p> <p>Equities market performance subsequently staged a strong recovery in November fueled by a plunge in bond yields that accelerated as signs that policymakers have managed to tame inflation without breaking the economy. The bet was the Fed was done in hiking rates and will start cutting by mid-2024. South Korea KOSPI market rallied the most due to implementation of the full ban on short selling until June 2024, whereas Hong Kong equities declined for the month amid disappointing 4Q guidance by major internet/consumer names citing greater competition and low confidence in macro recovery. The ASEAN equities also rebounded but lagged behind the broader Asia Pacific region.</p> <p>The positive sentiment continued until the end of 2023, with the exception for China and Hong Kong market which had weaker than expected economic recovery. The unexpected release of draft regulation regarding online gaming also shattered investors' confidence.</p> <p>Going into the new year, investors approach the market cautiously as investors began tampering down expectations of rate cuts in March. China equities continued to decline in the absence of clear signs of China's property, capex and inventory cycles bottoming out coupled with anti-corruption moving further in the financial sector and news flows on more US restrictions on China biotech and tech. The rest of the Asian markets like Korea, Taiwan and some ASEAN markets also corrected in January as investor sentiment deteriorated on the back of Fed pushing back hopes of imminent rate cuts.</p> <p>Asia Pacific equities rebounded in February, with performance was led by a rebound in China/Hong Kong equities on the back of supportive domestic policy measures and better than expected activity data. KOSPI also rose amid</p>

heightened investor sentiment surrounding the South Korean government's corporate value-up program while Taiwan market continued to rise amid ongoing global artificial intelligence (AI) optimism which helped to drive further upside in technology sector.

Fixed Income

The Malaysian Government Securities (MGS) saw yields rises across the curve in the month of September 2023 as the local fixed income market took cue from the sell-off in the United States Treasuries (UST) coupled with defensive positioning due to absence of significant local catalyst – albeit a no change in the September 2023 Overnight Policy Rate (OPR) decision. The MGS bear-steepened as rates rose 13-15bps month-over-month (MoM) across the curve while the UST rose at a higher magnitude of 24 - 49 basis points (bps) across the curve. Much of UST movement was due to the more hawkish guidance from the Federal Open Market Committee (FOMC) - despite a no-hike decision in its September FOMC meeting.

Malaysia's bond market sentiments continued to weaken at the start of the fourth quarter 2023 amid the backdrop of (1) a global bond market rout as both 10-year and 30-year UST touched the 5.00% psychological level and (2) concerns over Malaysian government bond supply following the announcement on more refinancing with long-term funding. Malaysia bond market rebounded in November and ended the year in a positive territory as investors sentiment were buoyed on the narrative that the Fed's period of rate tightening may be over and setting the stage for rate cuts to occur in 2024. Over the fourth quarter 2023, UST curve shifted lower with yields fell by 67-80bps across the 2-year and 30-year tenure while MGS yields fell by 10 – 25bps across the curve during the same period.

Malaysia bond market in the large part of January 2024 saw some sell-down amid profit taking activities following the strong year-end rally and stronger US economic data coupled with hawkish Fed member's comments. Local market sentiment turned better toward the end of January in tandem with the UST amid lower US inflation readings resulted in an expectation the Fed would start unwinding its policy tightening. Similarly, the Malaysian bond market saw some sell-down in MGS in the belly of the curve in the first three weeks of February as the US Fed pushed back on dovish market expectations of US rate cuts following the 31 January FOMC meeting, coupled with strong US jobs data and higher than expected US inflation prints. Some buying interest returned to ringgit bonds in the final week of February as US rates began to show some signs of stabilization but failed to reverse the sell-off in the earlier part of the month. MGS ended the month of February with 7Y, 10Y and 15Y MGS yields higher by 4bps, 15bps and 4bps MoM.

Market Outlook

Equity

We are cautiously optimistic on the Asia Pacific equities. China has seen some green shoots emerging in its economy recovery with the industrial production and retail sales coming in ahead of expectations in year-to-date (YTD) 2024, though the property sector remains weak. The markets of South Korea and Taiwan will continue to benefit from a rally in semiconductor chip stocks, helped by AI-driven demand. In addition, the Fed's expected rate cuts in 2H2024 generally bodes well for Asia Pacific equities.

Equity valuation remains reasonable with the region's price/earnings ratio below the long term average. Among the key investment themes in focus in the region will be global supply chain relocation, energy transition and further tourism recovery. The Fund will adopt a balanced approach between value and growth as well as focus on geographies and sectors which are expected to experience

	<p>growth/resilience.</p> <p><u>Fixed Income</u></p> <p>US economy remains resilient, with some signs of picking up in the manufacturing sector. Given the inflation is no longer surprising on the downside, US Fed can stand pat for now. We still maintain three rate cuts in second half of 2024, perhaps with some delay.</p> <p>As such, we expect Malaysian Ringgit to remain weak against US Dollar in near term. Bank Negara Malaysia (BNM) is likely to keep the OPR at 3.0% for this year, even with slight uptick in inflation, arising from fiscal reform.</p> <p>We maintain tactically overweight on duration, while very selective on credits. Credit spreads have narrow further, driven by strong demand from local.</p> <p>Risk to our view above includes: 1) sticky global inflation, which require the Developed Market central banks to continue tighten beyond the current expectation; 2) extended emerging market currency weakness; and 3) geo-political risks.</p>
<p>Additional Information</p>	<p>The following information was updated:</p> <ol style="list-style-type: none"> 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. 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. 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.

Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 April 2024

AmPRS – Islamic Balanced Fund

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024

	Note	29.02.2024 (unaudited) RM	31.08.2023 (audited) RM
ASSETS			
Shariah-compliant investments	4	3,454,352	3,396,010
Amount due from Provider	5(a)	932	200
Dividend/Distribution receivables		1,719	6,277
Tax recoverable		494	494
Shariah-compliant deposit with a licensed financial institution	6	326,026	247,040
Cash at banks		126,382	146,895
TOTAL ASSETS		3,909,905	3,796,916
LIABILITIES			
Amount due to Provider	5(b)	4,329	5,235
Amount due to broker	7	-	27,103
Amount due to Trustee	8	123	126
Amount due to Private Pension Administrator (“PPA”)	9	123	126
Sundry payables and accruals		12,131	7,875
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		16,706	40,465
NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO MEMBERS		3,893,199	3,756,451
NET ASSETS ATTRIBUTABLE TO MEMBERS OF THE FUND COMPRISE:			
Members’ contribution	11(a)(b)	3,463,089	3,395,806
Retained earnings	11(c)(d)	430,110	360,645
		3,893,199	3,756,451
NET ASSET VALUE			
– Class D		1,811,332	1,696,821
– Class I		2,081,867	2,059,630
		3,893,199	3,756,451
UNITS IN CIRCULATION			
– Class D	11(a)	2,624,732	2,501,823
– Class I	11(b)	2,981,687	3,005,193
NAV PER UNIT (RM)			
– Class D		0.6901	0.6782
– Class I		0.6982	0.6854

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

AmPRS – Islamic Balanced Fund

STATEMENT OF COMPREHENSIVE INCOME *(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
SHARIAH-COMPLIANT INVESTMENT INCOME			
Dividend/Distribution income		29,264	37,921
Profit income		2,999	3,927
Net gains from Shariah-compliant investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	10	81,095	26,205
Other net realised losses on foreign currency exchange		(3,132)	(1,844)
Other net unrealised (loss)/gain on foreign currency exchange		(4)	5
		<u>110,222</u>	<u>66,214</u>
EXPENDITURE			
Management fee	5	(17,671)	(15,818)
Trustee’s fee	8	(749)	(684)
PPA administrative fee	9	(749)	(684)
Audit fee		(2,230)	(2,220)
Tax agent’s fee		(4,923)	(4,835)
Custodian’s fee		(1,602)	(413)
Brokerage and other transaction fees		(3,942)	(3,759)
Other expenses		(8,463)	(8,371)
		<u>(40,329)</u>	<u>(36,784)</u>
Net income before taxation		69,893	29,430
Taxation	13	(428)	(219)
Net income after taxation, representing total comprehensive income for the financial period		<u>69,465</u>	<u>29,211</u>
Total comprehensive income comprises the following:			
Realised income/(loss)		94,450	(16,955)
Unrealised (loss)/gain		(24,985)	46,166
		<u>69,465</u>	<u>29,211</u>

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

AmPRS – Islamic Balanced 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		1,650,377	1,745,429	360,645	3,756,451
Total comprehensive income for the financial period		-	-	69,465	69,465
Creation of units	11(a)(b)	125,704	133,904	-	259,608
Cancellation of units	11(a)(b)	(42,755)	(149,570)	-	(192,325)
Balance at 29 February 2024		<u>1,733,326</u>	<u>1,729,763</u>	<u>430,110</u>	<u>3,893,199</u>
At 1 September 2022		1,469,180	1,637,455	251,804	3,358,439
Total comprehensive income for the financial period		-	-	29,211	29,211
Creation of units		146,649	142,480	-	289,129
Cancellation of units		(16,151)	(77,368)	-	(93,519)
Balance at 28 February 2023		<u>1,599,678</u>	<u>1,702,567</u>	<u>281,015</u>	<u>3,583,260</u>

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

AmPRS – Islamic Balanced 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
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		495,723	280,679
Purchases of Shariah-compliant investments		(503,206)	(479,058)
Dividends/Distributions received		33,392	48,069
Profit received		2,999	3,927
Management fee paid		(17,917)	(15,716)
Trustee's fee paid		(752)	(691)
PPA administrative fee paid		(752)	(691)
Custodian's fee paid		(1,602)	(413)
Tax paid		-	(60)
Payments for other expenses		(15,302)	(13,483)
Net cash used in operating and investing activities		<u>(7,417)</u>	<u>(177,437)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		258,876	288,240
Payments for cancellation of units		(192,986)	(93,519)
Net cash generated from financing activities		<u>65,890</u>	<u>194,721</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		58,473	17,284
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>393,935</u>	<u>384,996</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		<u><u>452,408</u></u>	<u><u>402,280</u></u>
Cash and cash equivalents comprise:			
Shariah-compliant deposit with a licensed financial institution	6	326,026	284,021
Cash at banks		<u>126,382</u>	<u>118,259</u>
		<u><u>452,408</u></u>	<u><u>402,280</u></u>

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

AmPRS – Islamic Balanced Fund

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

1. GENERAL INFORMATION

AmPRS – Islamic Balanced 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 members.

The Fund aims to provide medium to long term capital growth by investing in Shariah-compliant equities, Sukuk and Shariah-compliant 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 25 November 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 (Amendments to MFRS 17 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

AmPRS – Islamic Balanced 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

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
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</i> and MFRS 7 <i>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/Distribution income

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

(ii) Profit income

Profit income on Shariah-compliant deposits are recognised on an accrual basis using the effective profit method.

(iii) Gain or loss on disposal of Shariah-compliant investments

On disposal of Shariah-compliant 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 Shariah-compliant investments. The net realised gain or loss is recognised in 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.)

3.2 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 Shariah-compliant investments that are readily convertible to cash with insignificant risk of changes in value.

3.6 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 11.

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

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

3.7 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 3.6. Realised income is the income earned from dividend/distribution income, profit income and net gain on disposal of Shariah-compliant 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.

3.8 Financial assets – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

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

3. SUMMARY OF 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 ("SPPP 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 SPPP test determines whether the contractual cash flows are solely for payments of principal and profit 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 profit on the principal amount outstanding. Financial assets include in this category are Shariah-compliant 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 profit on the outstanding principal.

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

**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

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 income and profit earned elements of such instruments are recorded separately in “Dividend/distribution income” and “Profit 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.

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 Shariah-compliant investments in equity investments and collective investment schemes (“CIS”) at FVTPL. Dividend/Distribution earned whilst holding the Shariah-compliant investments are recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the Shariah-compliant 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 holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective profit 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 profit rate.

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

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

3.11 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 Shariah-compliant investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

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

3.12 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.

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

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

3.13 Determination of fair value

For Shariah-compliant investments in local quoted equity securities, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. For Shariah-compliant investments in foreign listed securities, which are quoted in the respective stock exchanges, fair value is determined based on the published market price quoted by the respective stock exchanges at the end of each business day. For Shariah-compliant investments in 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 Shariah-compliant investments. The difference between 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 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.

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 Shariah-compliant investments as financial assets at FVTPL as the Fund may sell its Shariah-compliant 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.

AmPRS – Islamic Balanced Fund

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

4. SHARIAH-COMPLIANT INVESTMENTS

	29.02.2024 RM	31.08.2023 RM
Financial assets at FVTPL		
Quoted Shariah-compliant equity securities - local	1,486,791	1,417,399
Quoted Shariah-compliant equity securities - foreign	216,145	267,879
Quoted Shariah-compliant CIS - local	90,372	90,900
Unquoted Shariah-compliant CIS - local	1,661,044	1,619,832
	<u>3,454,352</u>	<u>3,396,010</u>

Details of Shariah-compliant investments as at 29 February 2024 are as follows:

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted Shariah-compliant equity securities - local				
Consumer discretionary				
Berjaya Food Berhad	36,360	19,089	27,658	0.49
DRB-HICOM Berhad	29,000	40,310	40,276	1.03
	<u>65,360</u>	<u>59,399</u>	<u>67,934</u>	<u>1.52</u>
Consumer staples				
AEON Co. (M) Berhad	55,600	62,828	67,725	1.61
Fraser & Neave Holdings Bhd.	1,500	44,250	31,246	1.14
Kuala Lumpur Kepong Berhad	1,734	38,842	37,437	1.00
PPB Group Berhad	7,000	109,060	112,220	2.80
QL Resources Berhad	13,700	79,597	75,956	2.05
Sarawak Oil Palms Berhad	21,800	61,912	57,261	1.59
Ta Ann Holdings Berhad	14,000	51,100	44,221	1.31
	<u>115,334</u>	<u>447,589</u>	<u>426,066</u>	<u>11.50</u>
Energy				
Hibiscus Petroleum Berhad	15,480	39,164	38,467	1.00
PETRONAS Dagangan Berhad	800	18,272	17,522	0.47
	<u>16,280</u>	<u>57,436</u>	<u>55,989</u>	<u>1.47</u>

AmPRS – Islamic Balanced Fund

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

4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

Details of Shariah-compliant 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 %
Quoted Shariah-compliant equity securities - local (cont'd.)				
Financials				
GHL Systems Berhad	58,500	38,610	47,526	0.99
Syarikat Takaful Malaysia Keluarga Berhad	14,000	52,080	59,878	1.34
	<u>72,500</u>	<u>90,690</u>	<u>107,404</u>	<u>2.33</u>
Health care				
Duopharma Biotech Berhad	46,200	56,364	64,370	1.44
Hartalega Holdings Berhad	9,100	22,841	18,095	0.59
	<u>55,300</u>	<u>79,205</u>	<u>82,465</u>	<u>2.03</u>
Industrials				
CTOS Digital Berhad	32,500	49,075	51,266	1.26
Frontken Corporation Berhad	11,000	40,370	34,650	1.04
Sime Darby Berhad	10,000	27,100	22,641	0.70
Sunway Berhad	13,200	36,960	22,440	0.95
Westports Holdings Berhad	5,200	19,604	18,200	0.50
	<u>71,900</u>	<u>173,109</u>	<u>149,197</u>	<u>4.45</u>
Information technology				
Dagang NeXchange Berhad	165,200	58,646	103,361	1.51
Datasonic Group Berhad	69,800	31,061	34,900	0.80
Genetec Technology Berhad	17,700	39,294	48,088	1.01
Greatch Technology Berhad	10,000	47,700	57,971	1.22
SKP Resources Bhd.	43,200	32,616	63,724	0.84
	<u>305,900</u>	<u>209,317</u>	<u>308,044</u>	<u>5.38</u>
Materials				
PETRONAS Chemicals Group Berhad	11,200	78,400	87,244	2.02
Press Metal Aluminium Holdings Berhad	9,500	44,460	52,457	1.14
	<u>20,700</u>	<u>122,860</u>	<u>139,701</u>	<u>3.16</u>

AmPRS – Islamic Balanced Fund

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

4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

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

Name of company/trust	Number of shares/units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted Shariah-compliant equity securities - local (cont'd.)				
Real estate				
Lagenda Properties Berhad	24,800	35,960	36,002	0.92
Sime Darby Property Berhad	72,700	55,979	40,813	1.44
	<u>97,500</u>	<u>91,939</u>	<u>76,815</u>	<u>2.36</u>
Telecommunication services				
Telekom Malaysia Berhad	7,100	42,955	35,500	1.10
TIME dotCom Berhad	6,700	36,850	35,581	0.95
	<u>13,800</u>	<u>79,805</u>	<u>71,081</u>	<u>2.05</u>
Utilities				
Tenaga Nasional Berhad	6,700	75,442	64,984	1.94
	<u>841,274</u>	<u>1,486,791</u>	<u>1,549,680</u>	<u>38.19</u>
Quoted Shariah-compliant equity securities - foreign				
Hong Kong				
Consumer discretionary				
Li Ning Company Limited Group Co., Ltd.	1,500	17,763	33,322	0.46
	<u>1,500</u>	<u>17,763</u>	<u>33,322</u>	<u>0.46</u>
Indonesia				
Materials				
PT Semen Indonesia (Persero) Tbk	34,139	62,828	69,529	1.61
	<u>34,139</u>	<u>62,828</u>	<u>69,529</u>	<u>1.61</u>

AmPRS – Islamic Balanced Fund

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

4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

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

Name of company/trust	Number of shares/units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted Shariah-compliant equity securities - foreign (cont'd.)				
South Korea				
Information technology				
Samsung Electro-Mechanics Co., Ltd.	102	50,762	58,597	1.30
Samsung Electronics Co., Ltd.	144	37,573	37,849	0.97
Samsung SDI Co., Ltd.	10	13,402	6,043	0.34
	<u>256</u>	<u>101,737</u>	<u>102,489</u>	<u>2.61</u>
Materials				
LG Chem, Ltd.	21	33,817	25,583	0.87
Total in South Korea	<u>277</u>	<u>135,554</u>	<u>128,072</u>	<u>3.48</u>
Total quoted Shariah- compliant equity securities - foreign	<u>35,916</u>	<u>216,145</u>	<u>230,923</u>	<u>5.55</u>
Quoted Shariah-compliant CIS - local				
REITs				
AME Real Estate Investment Trust	29,400	39,396	34,176	1.01
Axis Real Estate Investment Trust	28,800	50,976	55,441	1.31
Total quoted Shariah- compliant CIS - local	<u>58,200</u>	<u>90,372</u>	<u>89,617</u>	<u>2.32</u>

AmPRS – Islamic Balanced Fund

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

4. SHARIAH-COMPLIANT INVESTMENTS (CONT'D.)

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

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Unquoted Shariah-compliant CIS - local				
AmASEAN Equity*	86,972	35,537	43,949	0.91
AmBon Islam*	460,234	613,216	574,575	15.75
AmDynamic Sukuk*	327,461	494,400	404,840	12.70
AmIslamic Fixed Income Conservative*	330,605	477,493	434,113	12.27
AmIslamic Global SRI*	36,294	40,398	36,272	1.04
Total unquoted Shariah-compliant CIS - local	1,241,565	1,661,044	1,493,749	42.67
Total financial assets at FVTPL		3,454,352	3,363,969	88.73
Excess of fair value over purchased cost		90,383		

* These CIS are managed by the Provider.

5. AMOUNT DUE FROM/TO PROVIDER

	Note	29.02.2024 RM	31.08.2023 RM
(a) Due from Provider			
Creation of units	(i)	932	200
(b) Due to Provider			
Cancellation of units	(ii)	1,214	1,874
Management fee payable	(iii)	3,115	3,361
		4,329	5,235

(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 is three business days.

AmPRS – Islamic Balanced Fund

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

5. AMOUNT DUE FROM/TO PROVIDER (CONT'D.)

- (iii) Management fee is at a rate of 1.50% (31.08.2023: 1.50%) per annum for Class D and 1.25% (31.08.2023: 1.25%) per annum for Class I on the NAV of the Fund calculated on a daily basis.

As the Fund invested in the CIS, the management fee related to the CIS has been charged by the Provider. According to Securities Commission Malaysia's Guidelines on Private Retirement Schemes, the management fee can only be charged once and hence, no management fee can be charged on the NAV of the unquoted CIS of this Fund to avoid double charging of management fee.

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

6. SHARIAH-COMPLIANT DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION

	29.02.2024 RM	31.08.2023 RM
At nominal value:		
Short-term deposit	<u>326,000</u>	<u>247,000</u>
At carrying value:		
Short-term deposit	<u>326,026</u>	<u>247,040</u>

Details of Shariah-compliant deposit with a financial institution are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
29.02.2024				
Short-term deposit				
01.03.2024	CIMB Islamic Bank Berhad	<u>326,000</u>	<u>326,026</u>	<u>8.37</u>

7. AMOUNT DUE TO BROKER

Amount due to broker arose from the purchase of investments. The settlement period is within two business days from the transaction date.

AmPRS – Islamic Balanced Fund

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

8. 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.

9. 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.

10. NET GAINS FROM SHARIAH-COMPLIANT INVESTMENTS

	01.09.2023 to 29.02.2024 RM	01.09.2022 to 28.02.2023 RM
Net gains on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of Shariah-compliant investments	103,692	(15,111)
- Net realised gain/(loss) on foreign currency exchange	2,384	(4,845)
- Net unrealised (loss)/gain on changes in fair value of Shariah-compliant investments	(26,623)	40,274
- Net unrealised gains on foreign currency fluctuation of Shariah-compliant investments denominated in foreign currency	1,642	5,887
	<u>81,095</u>	<u>26,205</u>

11. NAV ATTRIBUTABLE TO MEMBERS

Total NAV attributable to members is represented by:

	Note	29.02.2024 RM	31.08.2023 RM
Members' contribution			
- Class D	(a)	1,733,326	1,650,377
- Class I	(b)	1,729,763	1,745,429
Retained earnings			
- Realised income	(c)	339,732	245,282
- Unrealised gains	(d)	90,378	115,363
		<u>3,893,199</u>	<u>3,756,451</u>

AmPRS – Islamic Balanced Fund

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

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

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

Classes of units	Currency denomination	Categories of investors	Distribution policy
Class D	RM	Distributor appointed by the PRS Provider	Incidental
Class I	RM	Employer-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

(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	2,501,823	1,650,377	2,225,838	1,469,180
Creation during the financial period/year	186,319	125,704	324,425	213,016
Cancellation during the financial period/year	(63,410)	(42,755)	(48,440)	(31,819)
At end of the financial period/year	<u>2,624,732</u>	<u>1,733,326</u>	<u>2,501,823</u>	<u>1,650,377</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	3,005,193	1,745,429	2,842,048	1,637,455
Creation during the financial period/year	195,581	133,904	464,677	309,422
Cancellation during the financial period/year	(219,087)	(149,570)	(301,532)	(201,448)
At end of the financial period/year	<u>2,981,687</u>	<u>1,729,763</u>	<u>3,005,193</u>	<u>1,745,429</u>

AmPRS – Islamic Balanced Fund

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

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

(c) Realised – distributable

	29.02.2024	31.08.2023
	RM	RM
At beginning of the financial period/year	245,282	208,810
Net realised income for the financial period/year	94,450	36,472
At end of the financial period/year	<u>339,732</u>	<u>245,282</u>

(d) Unrealised – non-distributable

	29.02.2024	31.08.2023
	RM	RM
At beginning of the financial period/year	115,363	42,994
Net unrealised (loss)/gain for the financial period/year	(24,985)	72,369
At end of the financial period/year	<u>90,378</u>	<u>115,363</u>

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

13. TAXATION

	01.09.2023 to 29.02.2024	01.09.2022 to 28.02.2023
	RM	RM
Local tax	208	143
Foreign tax	220	76
	<u>428</u>	<u>219</u>

AmPRS – Islamic Balanced Fund

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

13. TAXATION (CONT'D.)

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.

The taxation charged for the financial year is related to withholding tax derived from countries including Malaysia and South Korea calculated at the rates prevailing in these countries.

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

	01.09.2023 to 29.02.2024	01.09.2022 to 28.02.2023
	RM	RM
Net income before taxation	<u>69,893</u>	<u>29,430</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	16,774	7,063
Tax effects of:		
Income not subject to tax	(41,337)	(20,904)
Losses not allowed for tax deduction	15,312	5,232
Restriction on tax deductible expenses	4,352	3,950
Non-permitted expenses for tax purposes	4,843	4,440
Permitted expenses not used and not available for future financial periods	<u>484</u>	<u>438</u>
Tax expense for the financial period	<u>428</u>	<u>219</u>

14. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.09.2023 to 29.02.2024	01.09.2022 to 28.02.2023
	% p.a.	% p.a.
Management fee	0.47	0.46
Trustee’s fee	0.02	0.02
PPA administrative fee	0.02	0.02
Fund’s other expenses	<u>0.46</u>	<u>0.46</u>
Total TER	<u>0.97</u>	<u>0.96</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.

AmPRS – Islamic Balanced Fund

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

15. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investments to the average NAV of the Fund calculated on a daily basis, is 0.13 times (01.09.2022 to 28.02.2023: 0.11 times).

16. 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 three segments:

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

The investment objective of each segment is to achieve consistent returns from the Shariah-compliant 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	CIS portfolio RM	Fixed income portfolio RM	Total RM
01.09.2023 to 29.02.2024				
Dividend/Distribution income	24,416	4,848	-	29,264
Profit income	-	-	2,999	2,999
Net income from Shariah-compliant investments:				
- Financial assets at FVTPL	47,580	33,515	-	81,095
Other net realised loss on foreign currency exchange	(3,132)	-	-	(3,132)
Other net unrealised loss on foreign currency exchange	(4)	-	-	(4)
Total segment investment income for the financial period	<u>68,860</u>	<u>38,363</u>	<u>2,999</u>	<u>110,222</u>

AmPRS – Islamic Balanced Fund

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

16. SEGMENTAL REPORTING (CONT'D.)

	Equity portfolio RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
01.09.2022 to 28.02.2023				
Dividend/Distribution income	29,405	8,516	-	37,921
Profit income	-	-	3,927	3,927
Net income from Shariah-compliant investments:				
- Financial assets at FVTPL	4,887	21,318	-	26,205
Other net realised loss on foreign currency exchange	(1,844)	-	-	(1,844)
Other net unrealised gain on foreign currency exchange	5	-	-	5
Total segment investment income for the financial period	<u>32,453</u>	<u>29,834</u>	<u>3,927</u>	<u>66,214</u>
29.02.2024				
Financial assets at FVTPL	1,702,936	1,751,416	-	3,454,352
Dividend/Distribution receivables	1,221	498	-	1,719
Shariah-compliant deposit with a licensed financial institution	-	-	326,026	326,026
Total segment assets	<u>1,704,157</u>	<u>1,751,914</u>	<u>326,026</u>	<u>3,782,097</u>
31.08.2023				
Financial assets at FVTPL	1,685,278	1,710,732	-	3,396,010
Dividend/Distribution receivables	1,088	5,189	-	6,277
Shariah-compliant deposit with a licensed financial institution	-	-	247,040	247,040
Total segment assets	<u>1,686,366</u>	<u>1,715,921</u>	<u>247,040</u>	<u>3,649,327</u>
Amount due to broker	27,103	-	-	27,103
Total segment liability	<u>27,103</u>	<u>-</u>	<u>-</u>	<u>27,103</u>

There is no segment liability as at 29 February 2024.

AmPRS – Islamic Balanced Fund

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

16. SEGMENTAL REPORTING (CONT'D.)

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:

	01.09.2023 to 29.02.2024 RM	01.09.2022 to 28.02.2023 RM
Net reportable segment investment income	110,222	66,214
Less: Expenses	(40,329)	(36,784)
Net income before taxation	<u>69,893</u>	<u>29,430</u>
Taxation	(428)	(219)
Net income after taxation	<u>69,465</u>	<u>29,211</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.

	29.02.2024 RM	31.08.2023 RM
Total segment assets	3,782,097	3,649,327
Amount due from Provider	932	200
Tax recoverable	494	494
Cash at banks	126,382	146,895
Total assets of the Fund	<u>3,909,905</u>	<u>3,796,916</u>
Total segment liability	-	27,103
Amount due to Provider	4,329	5,235
Amount due to Trustee	123	126
Amount due to PPA	123	126
Sundry payables and accruals	12,131	7,875
Total liabilities of the Fund	<u>16,706</u>	<u>40,465</u>

AmPRS – Islamic Balanced Fund

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

17. 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 Islamic Bank Berhad	22,676,000	95.44	550	13.95
Daishin Securities Co., Ltd.	319,246	1.34	1,331	33.77
Public Investment Bank Berhad	305,187	1.28	-	-
Affin Investment Berhad	127,613	0.54	152	3.86
CIMB Bank Berhad	118,000	0.50	-	-
Maybank Investment Bank Berhad	75,807	0.32	158	4.02
Macquarie Securities (Australia) Limited	68,838	0.29	1,165	29.55
RHB Investment Bank Berhad	36,766	0.15	258	6.55
CLSA Limited (Hong Kong) Berhad	33,661	0.14	328	8.30
Total	<u>23,761,118</u>	<u>100.00</u>	<u>3,942</u>	<u>100.00</u>

The Provider is of the opinion that the above transactions have been entered into 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 Shariah-compliant listed equity securities, Shariah-compliant CIS and Islamic money market deposits. Transactions in unquoted Shariah-compliant CIS and Islamic money market deposits do not involve any commission or brokerage fee.

18. 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, non-compliance risk and Shariah non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of Shariah-compliant investments coupled with stringent compliance to Shariah-compliant investments restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Private Retirement Schemes and Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and the Deed as the backbone of risk management of the Fund.

AmPRS – Islamic Balanced Fund

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

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

(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 Shariah-compliant investments. In managing price risk, the Provider actively monitors the performance and risk profile of the investment portfolio.

(ii) Profit rate risk

Profit rate risk will affect the value of the Fund's Shariah-compliant investments, given the profit rate movements, which are influenced by regional and local economic developments as well as political developments.

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

Although Islamic Fund does not deal with interest-bearing accounts and products, the fluctuation of profit rate may affect the performance of an Islamic Fund.

(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.

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

Assets denominated in	29.02.2024		31.08.2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Hong Kong Dollar				
Shariah-compliant investments	17,763	0.46	32,906	0.87
Dividend receivable	-	-	351	0.01
	<u>17,763</u>	<u>0.46</u>	<u>33,257</u>	<u>0.88</u>

AmPRS – Islamic Balanced Fund

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

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

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

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

Assets denominated in	29.02.2024		31.08.2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Indonesia				
Shariah-compliant investments	62,828	1.61	35,476	0.94
New Taiwan Dollar				
Cash at bank	108,666	2.79	105,494	2.81
South Korean Won				
Shariah-compliant investments	135,554	3.48	199,497	5.31
Dividend receivables	667	0.02	-	-
	<u>136,221</u>	<u>3.50</u>	<u>199,497</u>	<u>5.31</u>
United States Dollar				
Cash at bank	5	-*	5	-*

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

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

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

18. 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 Shariah-compliant 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) 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 Provider or the Trustee not complying with their respective internal policies, the Deed and its Supplemental Deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

AmPRS – Islamic Balanced Fund

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

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

(i) Shariah non-compliance risk

This is the risk of the Fund not conforming to Shariah Investment Guidelines. The Shariah Adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

AmPRS – Islamic Balanced 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 – Islamic Balanced 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 – ISLAMIC BALANCED 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 Hong Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
18 April 2024

SHARIAH ADVISER'S REPORT FOR ISLAMIC PRIVATE RETIREMENT SCHEME FUND

To the members of AmPRS – Islamic Balanced Fund (“Fund”),

We hereby confirm the following:

1. 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 Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters: and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 18 April 2024

DIRECTORY

Head Office 9th & 10th 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.*

