

Annual Report for

# AmSustainable Series – Nutrition Fund

*(formerly known as Sustainable Series – Nutrition Fund)*

31 May 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

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

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholder,

We are pleased to present you the Manager's report and the audited accounts of AmSustainable Series - Nutrition Fund ("Fund") (formerly known as Sustainable Series - Nutrition Fund) for the financial year ended 31 May 2024.

### Salient Information of the Fund

<b>Name</b>	AmSustainable Series - Nutrition Fund ("Fund") (formerly known as Sustainable Series - Nutrition Fund)
<b>Category/ Type</b>	Wholesale (Feeder Fund) / Growth
<b>Name of Target Fund</b>	Pictet – Nutrition
<b>Objective</b>	<p>The Fund seeks to provide long-term capital growth.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holder's approval.</i></p>
<b>Duration</b>	The Fund was established on 23 March 2022 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
<b>Performance Benchmark</b>	<p>MSCI All Country World Index (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</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. (<a href="http://www.msci.com">www.msci.com</a>).</i></p>
<b>Income Distribution Policy</b>	<p>Given the Fund's investment objective, the Classes of the Fund are not expected to pay any distribution. Distributions, if any, are at the Manager's discretion.</p> <p><u>RM and RM-Hedged Classes</u> Distribution, if any, can be in the form of cash (by telegraphic transfer) or units (by reinvestment into units of the respective Classes)</p>

Other Classes except for RM and RM-Hedged Classes  
 Distribution, if any, to be reinvested into units of the respective Classes.

*Notes: Income distribution amount (if any) for each of the Classes could be different and is subject to the sole discretion of the Manager. For RM and RM-Hedged Classes only, if income distribution earned does not exceed RM500, it will be automatically reinvested.*

**Breakdown of Unit Holdings by Size**

For the financial year under review, the size of the Fund for RM Class stood at 797 units, for RM-Hedged Class stood at 889 units and for USD Class stood at 500 units.

RM Class

Size of holding	As at 31 May 2024		As at 31 May 2023	
	No of units held	Number of unitholder	No of units held	Number of unitholder
5,000 and below	797	1	797	1
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	-	-	-	-
500,001 and above	-	-	-	-

RM-Hedged Class

Size of holding	As at 31 May 2024		As at 31 May 2023	
	No of units held	Number of unitholder	No of units held	Number of unitholder
5,000 and below	889	1	500	1
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	-	-	-	-
500,001 and above	-	-	-	-

USD Class

Size of holding	As at 31 May 2024		As at 31 May 2023	
	No of units held	Number of unitholder	No of units held	Number of unitholder
5,000 and below	500	1	500	1
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	-	-	-	-
500,001 and above	-	-	-	-

**Fund Performance Data**

**Portfolio Composition**

Details of portfolio composition of the Fund as at 31 May are as follows:

	As at 31.05.2024 %	As at 31.05.2023 %
Forward contracts	-0.01	-
Money market deposits and cash equivalents	100.01	100.00
<b>Total</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 year/period ended 31 May are as follows:

	<b>FYE 31.05.2024</b>	<b>FPE 31.05.2023</b>
Net asset value (USD)		
- RM Class	124	112
- RM-Hedged Class	119	64
- USD Class	325	292
Units in circulation		
- RM Class	797	797
- RM-Hedged Class	889	500
- USD Class	500	500
Net asset value per unit in USD		
- RM Class	0.1554	0.1399
- RM-Hedged Class	0.1336	0.1285
- USD Class	0.6509	0.5850
Net asset value per unit in respective currencies		
- RM Class (RM)	0.7308	0.6456
- RM-Hedged Class (RM)	0.6287	0.5928
- USD Class (USD)	0.6509	0.5850
Highest net asset value per unit in respective currencies		
- RM Class (RM)	0.7308	1.0281
- RM-Hedged Class (RM)	0.6287	1.0281
- USD Class (USD)	0.6509	1.0000
Lowest net asset value per unit in respective currencies		
- RM Class (RM)	0.6050	0.6153
- RM-Hedged Class (RM)	0.5367	0.5923
- USD Class (USD)	0.5445	0.5844
Benchmark performance (%)		
- RM Class	24.01	0.27
- RM-Hedged Class	24.01	0.27
- USD Class	21.53	9.19
Total return (%) <sup>(1)</sup>		
- RM Class	13.20	-35.44
- RM-Hedged Class	6.06	-40.72
- USD Class	11.26	-41.50
Capital growth (%)		
- RM Class	13.20	-35.44
- RM-Hedged Class	6.06	-40.72
- USD Class	11.26	-41.50
Total expense ratio (%) <sup>(2)</sup>	0.94	6.54
Portfolio turnover ratio (times) <sup>(3)</sup>	-	7.54

Note:

(1) Total return is the actual return of the Fund for the respective financial year/period 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. The TER decreased by 5.60% as compared to 6.54% per annum for the financial period ended 31 May 2023 mainly due to decrease in expenses.

(3) Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The decrease in the PTR for 2024 were due mainly to investing activities.

**Average Total Return (as at 31 May 2024)**

	AmSustainable Series - Nutrition Fund <sup>(a)</sup> %	MSCI All Country World Index <sup>(b)</sup> %
One year		
- RM Class	13.20	24.01
- RM-Hedged Class	6.06	24.01
- USD Class	11.26	21.53
Since launch (23 March 2022)		
- RM Class	-13.37	10.45
- RM-Hedged Class	-19.13	10.45
- USD Class	-17.84	13.78

**Annual Total Return**

Financial Year/Period Ended (31 May)	AmSustainable Series - Nutrition Fund <sup>(a)</sup> %	MSCI All Country World Index <sup>(b)</sup> %
2024		
- RM Class	13.20	24.01
- RM-Hedged Class	6.06	24.01
- USD Class	11.26	21.53
2023 <sup>(c)</sup>		
- RM Class	-35.44	0.27
- RM-Hedged Class	-40.72	0.27
- USD Class	-41.50	9.19

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

(b) MSCI All Country World Index (Available at [www.aminvest.com](http://www.aminvest.com))

(c) Total actual return for the financial period from 23 March 2022 (date of launch) to 31 May 2023.

The Fund performance is calculated based on 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**

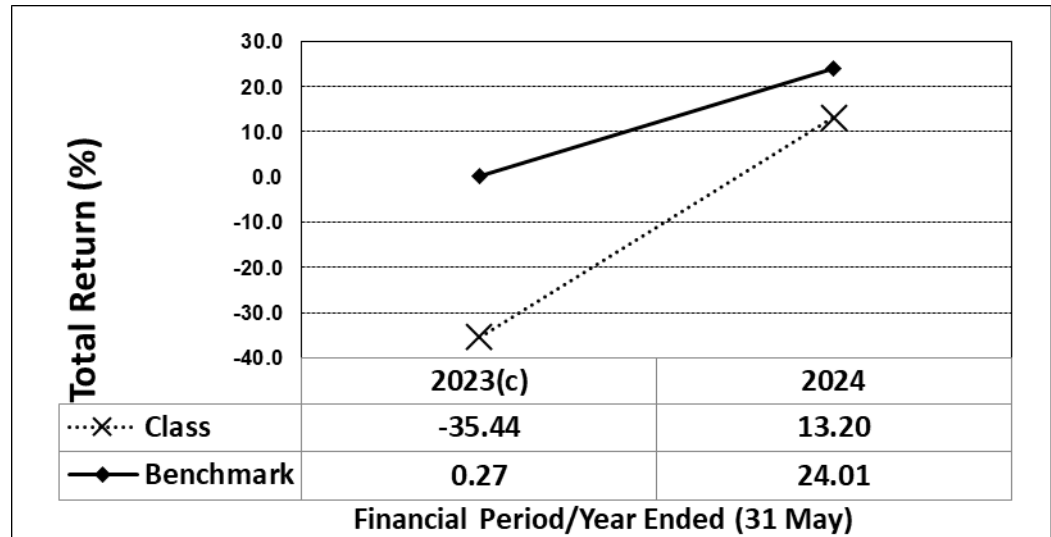
RM Class

For the financial year under review, the Fund registered a return of 13.20% which is entirely capital growth in nature.

Thus, the Fund’s return of 13.20% has underperformed the benchmark’s return of 24.01% by 10.81%.

As compared with the financial period ended 31 May 2023, the net asset value (“NAV”) per unit of the Fund increased by 13.20% from RM0.6456 to RM0.7308, while units in circulation remain unchanged at 797 units.

The following line chart shows comparison between the annual performances of AmSustainable Series – Nutrition Fund (*formerly known as Sustainable Series - Nutrition Fund*) (RM Class) and its benchmark, MSCI All Country World Index, for financial period/year ended 31 May.



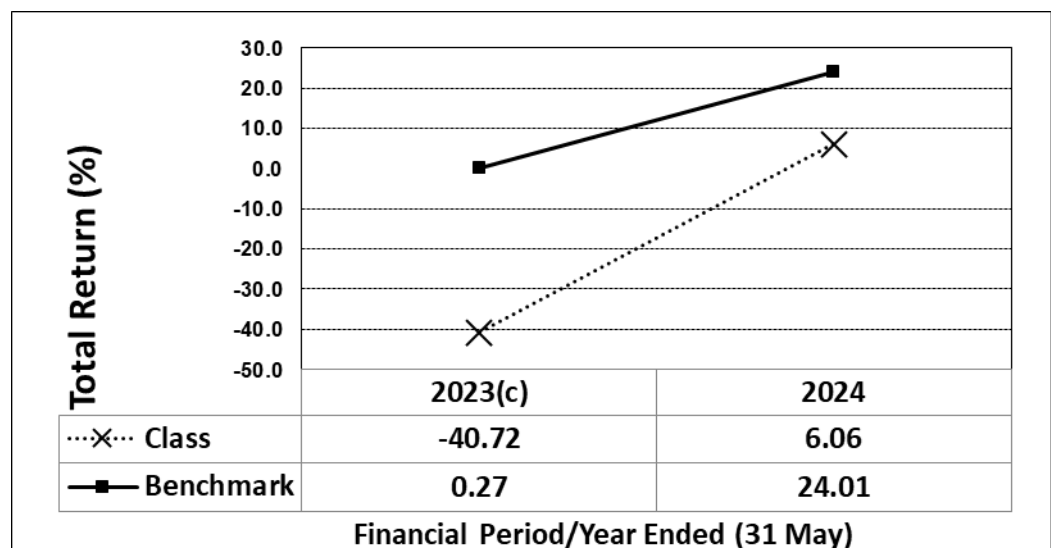
#### RM-Hedged Class

For the financial year under review, the Fund registered a return of 6.06% which is entirely capital growth in nature.

Thus, the Fund’s return of 6.06% has underperformed the benchmark’s return of 24.01% by 17.95%.

As compared with the financial period ended 31 May 2023, the net asset value (“NAV”) per unit of the Fund increased by 6.06% from RM0.5928 to RM0.6287, while units in circulation increased by 77.80% from 500 units to 889 units.

The following line chart shows comparison between the annual performances of AmSustainable Series – Nutrition Fund (*formerly known as Sustainable Series - Nutrition Fund*) (RM-Hedged Class) and its benchmark, MSCI All Country World Index, for financial period/year ended 31 May.





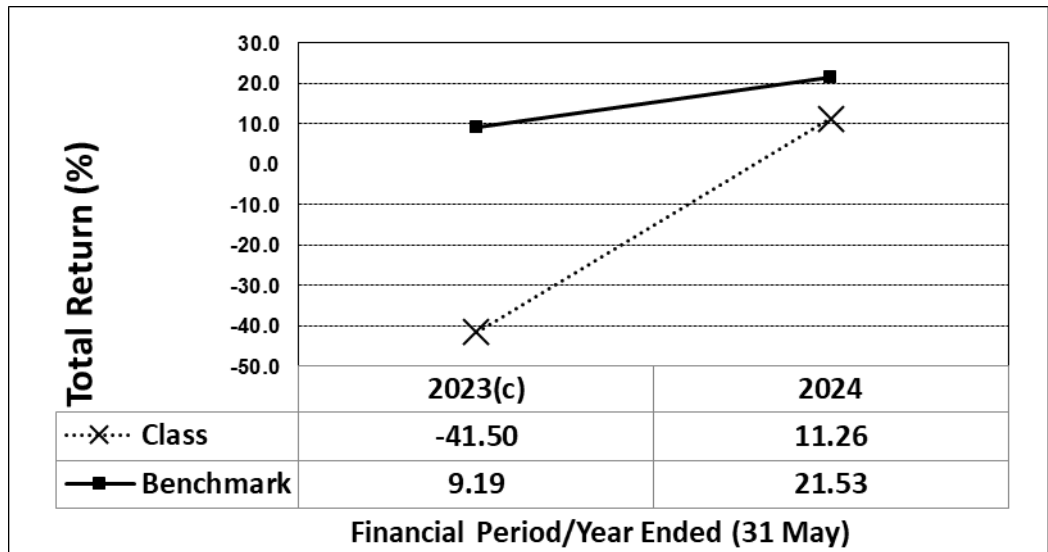
USD Class

For the financial year under review, the Fund registered a return of 11.26% which is entirely capital growth in nature.

Thus, the Fund's return of 11.26% has underperformed the benchmark's return of 21.53% by 10.27%.

As compared with the financial period ended 31 May 2023, the net asset value ("NAV") per unit of the Fund increased by 11.26% from USD0.5850 to USD0.6509, while units in circulation remain unchanged at 500 units.

The following line chart shows comparison between the annual performances of AmSustainable Series – Nutrition Fund (formerly known as Sustainable Series - Nutrition Fund) (USD Class) and its benchmark, MSCI All Country World Index, for financial period/year ended 31 May.



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

**Performance of the Target Fund**

**Fund Performance Review of the Target Fund – Pictet – Nutrition (the “Target Fund”)**

Global equities rebounded sharply in May, posting a 4% increase for the month, fuelled by robust corporate earnings and an improving growth outlook. Utilities was among the best-performing sectors, up almost 7%. There were also continued gains from IT (+8%) and communication services (+6%). Investors welcomed stronger-than-expected results and upbeat forward guidance from chipmaker Nvidia. Overall, big tech stocks accounted for over half of the S&P's gains for the month, with Nvidia (+26.8%), Apple (+12.9%), Microsoft (+6.8%) and Google (+6.0%). Among sectors, energy stocks bucked the overall positive trend, as companies reported falling earnings and revenue, reflecting a retreat in oil prices. Interest rate cut expectations were bolstered by a drop in United States (US) inflation to 3.4% and stable Eurozone inflation at 2.4%, especially after the US Federal Reserve decided to maintain rates and indicated no further hikes in the current cycle. Despite a cautious outlook, US consumer sentiment and business activity, especially in the service sector, remained strong, although labour shortages continued. Overall, May's economic data suggested a cooling of the US economy, easing fears of overheating and indicating a shift in economic momentum. The Dollar finished the month a touch weaker, having

	<p>lost ground versus most developed market currencies, including the Euro.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>Has the Fund achieved its objective?</b></p>	<p>For the financial year under review, the Fund remains inactive (without investment activity) and has invested 100% of its NAV in money market deposits and cash equivalents.</p>
<p><b>Strategies and Policies Employed</b></p>	<p><b>Strategies and Policies employed by Target Fund</b></p> <p>The strategy made a positive absolute return in May but underperformed the broader market. This was largely due to the inherent underweight in outperforming IT and the overweight in consumer staples, which underperformed. Selection was positive, based on the strong performance of Materials, where food ingredients outperformed. By segment, food contributed positively, driven entirely by food ingredients. This included names such as IFF, Givaudan, Symrise and Novonesis, which benefitted from valuation reratings following strong recent results that demonstrated robust earnings momentum as they continue to recover from inflationary pressures and destocking. Food products detracted slightly. Vital Farms delivered stellar returns, with the shares up 52% for the month (+168% YTD) in Euro terms, as the company is delivering dramatic volume growth with pricing power for its premium organic pasture raised eggs. However, this was offset by declines for McCormick and particularly China Mengniu, which continued to be impacted by soft demand and the wider derating of Chinese equities. Logistics detracted, with broad-based weakness across food distribution, food safety and food waste solutions names. Agri-Tech detracted overall as declines for CNH Industrial in Precision Technologies and for salmon farmers such as Mowi were only partially offset by some rebound for Zoetis in animal &amp; plant health.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p> <p><b>Strategies and Policies of the Fund</b></p> <p>For the financial year under review, the Fund had complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds (“SRI”).</p> <p>The Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund’s NAV in the Target Fund. This implies that the Fund has a passive strategy.</p> <p>The Fund is a qualified SRI fund. It invests in the Target Fund that adopts thematic investment in companies contributing to and/or benefiting from the nutrition value chain. This includes screening, selection, monitoring and realization of the Target Fund’s investments by the Investment Manager. The Target Fund will adopt the following strategy to ensure that the companies that the Target Fund invests in are in line with the sustainability principles adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability principles.</p> <p>The Target Fund applies a capital growth strategy, by investing primarily in equities, or in any other transferable security linked to or similar to equities issued by companies throughout the world (including emerging countries).</p> <p>The Target Fund also applies a sustainable strategy which aims to achieve a positive social and/or environmental impact by investing mainly in companies contributing to and/or benefiting from the nutrition value chain, in particular the quality of nutrition, access to nutrition, and sustainability of food production.</p>

These companies help to secure food supplies and improve human and planetary health by contributing to positive dietary shifts and global food security. They also help reducing negative environmental impacts compared to traditional agriculture as well as reducing food waste.

The Target Fund invests mainly in companies whose significant proportion of their activities (as measured by turnover, enterprise value, earning before income and tax, or similar metrics) are related to, but not limited to agricultural technology, sustainable agriculture or aquaculture, food products, ingredients and supplements, food logistics such as distribution, food waste solutions, food safety.

The investment process integrates ESG Factors based on proprietary and third-party research to evaluate investment risks and opportunities. The proportion of the Target Fund's portfolio subject to ESG analysis is at least 90% of the net assets or number of issuers. When selecting the Target Fund's investments, the ESG characteristics of issuers are taken into account to increase or decrease the target weight. It is expected that the resulting Target Fund's ESG characteristics will be higher than the reference index after removing the bottom 20% of issuers with the lowest ESG characteristics.

This strategy applies an additional exclusion policy relating to direct investment in companies and countries that are deemed incompatible with Pictet Asset Management's approach to responsible investment. Please refer to Pictet Asset Management's responsible investment policy on <https://www.am.pictet/en/globalwebsite/global-articles/company/responsible-investment> for further information.

The Target Fund's investment strategy adopts the above investing strategy. If the Target Fund's investments become inconsistent with its investment strategies, the Investment Manager shall dispose of the investment(s) within an appropriate timeframe.

Even though the Fund is passively managed, the Fund's investments will be actively rebalanced from time to time to accommodate for subscription and redemption requests, price movements or due to reasons beyond Manager's control. During this period, the Fund's investment may differ from the stipulated asset allocation. Additionally, the Manager do not intend to take temporary defensive measure for the Fund during adverse market, economic, political or any other conditions to allow the Fund to mirror the performance of the Target Fund.

The Manager may, in consultation with the Trustee and with the approval of the Unit Holders, terminate the Fund or replace the Target Fund with another fund that has similar objective if, in the Manager's opinion, the Target Fund no longer meets the Fund's investment objective. The replacement target fund must meet the requirements of the Guidelines on Sustainable and Responsible Investment Funds, where applicable. If the Target Fund no longer meets the requirements of the Guidelines on Sustainable and Responsible Investment Funds, the Fund's SRI status will be revoked.

**Portfolio Structure**

The table below is the asset allocation of the Fund as at 31 May 2024 and 31 May 2023.

	<b>As at 31.05.2024 %</b>	<b>As at 31.05.2023 %</b>	<b>Changes %</b>
Forward contracts	-0.01	-	-0.01

		As at 31.05.2024 %	As at 31.05.2023 %	Changes %
	Money market deposits and cash equivalents	100.01	100.00	0.01
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	For the financial year under review, the Fund has invested -0.01% in forward contracts and 100.01% of its NAV in the money market deposits and cash equivalents.			
<b>Cross Trades</b>	There were no cross trades undertaken during the financial year under review.			
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial year under review.			
<b>State of Affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.			
<b>Rebates and Soft Commission</b>	During the financial year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.			
<b>Market Review</b>	<p>Global equities rebounded sharply in May, posting a 4% increase for the month, fuelled by robust corporate earnings and an improving growth outlook. Utilities was among the best-performing sectors, up almost 7%. There were also continued gains from IT (+8%) and communication services (+6%). Investors welcomed stronger-than-expected results and upbeat forward guidance from chipmaker Nvidia. Overall, big tech stocks accounted for over half of the S&amp;P's gains for the month, with Nvidia (+26.8%), Apple (+12.9%), Microsoft (+6.8%) and Google (+6.0%). Among sectors, energy stocks bucked the overall positive trend, as companies reported falling earnings and revenue, reflecting a retreat in oil prices. Interest rate cut expectations were bolstered by a drop in US inflation to 3.4% and stable Eurozone inflation at 2.4%, especially after the US Federal Reserve decided to maintain rates and indicated no further hikes in the current cycle. Despite a cautious outlook, US consumer sentiment and business activity, especially in the service sector, remained strong, although labour shortages continued. Overall, May's economic data suggested a cooling of the US economy, easing fears of overheating and indicating a shift in economic momentum. The Dollar finished the month a touch weaker, having lost ground versus most developed market currencies, including the Euro.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>			
<b>Market Outlook</b>	<p>The Strategy made a positive absolute return in May but underperformed the broader market. This was largely due to the inherent underweight in outperforming IT and the overweight in consumer staples, which underperformed. Selection was positive, based on the strong performance of Materials, where food ingredients outperformed. By segment, Food contributed positively, driven entirely by food ingredients. This included names such as IFF, Givaudan, Symrise and Novonesis, which benefitted from valuation reratings following strong recent results that demonstrated robust earnings momentum as they continue to recover from inflationary pressures and destocking. Food Products detracted slightly. Vital Farms delivered stellar returns, with the shares up 52% for the month (+168% YTD) in Euro terms, as the company is delivering dramatic volume growth with pricing power for its premium organic pastured raised eggs. However, this was offset by declines for McCormick and</p>			

	<p>particularly China Mengniu, which continued to be impacted by soft demand and the wider derating of Chinese equities. Logistics detracted, with broad-based weakness across food distribution, food safety and food waste solutions names. Agri-Tech detracted overall as declines for CNH Industrial in Precision Technologies and for salmon farmers such as Mowi were only partially offset by some rebound for Zoetis in animal &amp; plant health.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<b>A statement that the fund has complied with Guidelines on Sustainable And Responsible Investment Funds during the reporting period</b>	<p>The Target Fund complies with article 9, under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainability-related disclosures in the financial services sector (SFDR).</p> <p><i>Source: Pictet Asset Management, 31 May 2024</i></p>
<b>Descriptions on sustainability considerations that have been adopted in the policies and strategies employed</b>	<p>The Target Fund seeks to achieve a positive social and/or environmental impact by investing mainly in companies contributing to and/or benefiting from the nutrition value chain, in particular the quality of nutrition, access to nutrition, and sustainability of food production.</p> <p>These companies help to secure food supplies and improve human and planetary health by contributing to positive dietary shifts and global food security. They also help reducing negative environmental impacts compared to traditional agriculture as well as reducing food waste.</p> <p>No reference index has been designated for the purpose of attaining the sustainable investment objective.</p> <p>The Target Fund invests mainly in companies whose significant proportion of their activities are related to agricultural technology, sustainable agriculture or aquaculture, food products, ingredients and supplements, food logistics such as distribution, food waste solutions, food safety and other relevant economic activities.</p> <p><i>Source: Pictet Asset Management, 31 May 2024</i></p>
<b>Descriptions of the SRI Fund's policies and strategies achieved during the reporting period which must include, but are not limited to the following (a-g) :-</b>	
<b>(a) A review on sustainability considerations of the SRI Fund's portfolio</b>	<p>Indicators the Target Fund uses include:</p> <ol style="list-style-type: none"> <li>1. Exposure to companies that derive a significant proportion of revenue, EBIT, enterprise value or similar metrics from economic activities that contribute to environmental or social objectives</li> <li>2. Overall ESG profile</li> <li>3. Principle Adverse Impact (PAI) indicators such as exposure to issuers that are in severe breach of international norms or have significant activities with adverse E/S impacts on society or the environment</li> <li>4. Percentage of eligible company meetings where voting rights were exercised</li> </ol> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<b>(b) The proportion of</b>	<p>The Target Fund allocates at least 80% of its assets to Sustainable investments (#1 Sustainable) and up to 20% to Not sustainable investments (#2 Not</p>

<p><b>underlying investments that are consistent with the SRI Fund's policies and strategies</b></p>	<p>sustainable). At least 15% of its assets is allocated to environmental objectives and at least 15% to social objectives.</p> <p><b>Note:</b>  #1 Sustainable covers sustainable investments with environmental or social objectives.  #2 Not sustainable includes investments which do not qualify as sustainable investments.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>(c) Where the SRI Fund's underlying investments are inconsistent with its policies and strategies, descriptions on steps undertaken to rectify the inconsistency</b></p>	<p>ESG is integral in our investment process and informs the bottom-up company analysis. ESG considerations help to formulate investment convictions and the scale of any portfolio allocation.</p> <p>To track the material ESG issues our portfolios are exposed to, we have developed a proprietary ESG Integration framework. As a first step, a materiality assessment is done at theme-specific levels. This allows us to better identify material ESG issues based on companies with similar sustainability risks.</p> <p>We then analyse companies' management performance of those material issues. This allows us to assign a premium or discount to the target weights in the investment process based on companies' ESG performance.</p> <p>This analysis also helps us to identify oversights or failings that should be brought to management attention and serves as a basis for effective engagement and proxy-voting.</p> <p>As a result of our universe construction process and fundamental company analysis, which integrates environmental, social, and governance criteria into the scoring process, we expect the portfolio to have a better ESG score than the reference index.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>(d) Actions taken in achieving the SRI Fund's policies and strategies</b></p>	<p>The following binding elements of the investment strategy are used to meet the sustainable investment objective of the Target Fund:</p> <p><b>At least 80% of sustainable investments</b>  Investments in companies that have a significant exposure to activities such as agricultural technology, sustainable agriculture or aquaculture, food products, ingredients and supplements, food logistics such as distribution, food waste solutions, food safety and other relevant economic activities (as measured by revenue, enterprise value, earnings before interest and tax, or similar)</p> <p><b>Exclusion of issuer that:</b></p> <ol style="list-style-type: none"> <li>i. are involved in the production of controversial weapons including anti-personnel mines, cluster munitions, biological and chemical weapons, nuclear weapons and depleted uranium.</li> <li>ii. derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional oil and gas production, nuclear power generation, conventional weapons and small arms, military contracting weapons and weapon-related products and services, tobacco production, adult entertainment production, gambling operations, genetically modified organisms development/growth, pesticides product/retail. Please refer to Pictet Asset Management's Responsible Investment policy for further details on exclusion thresholds applicable to the above activities.</li> </ol>

	<p>iii. severely violate international norms including the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.</p> <p><b>A better ESG profile than the reference index after removing the bottom 20% of issuers with the weakest ESG characteristics</b></p> <p>ESG criteria analysis of eligible securities that covers at least 90% of net assets or the number of issuers in the portfolio</p> <p>The Target Fund assesses company decision-making processes and controls, as well as how management balances the interests of shareholders, employees, suppliers, customers, the community and other stakeholders. Assessed areas may include:</p> <ul style="list-style-type: none"> <li>• the composition of the executive team and board of directors, including the experience, diversity and distribution of roles, along with succession planning and board evaluation</li> <li>• executive remuneration, including short term and long term incentives and their alignment with investor interests</li> <li>• risk control and reporting, including auditor independence and tenure</li> <li>• shareholder rights, including one-share-one-vote and related-party transactions</li> </ul> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>(e) A comparison of the SRI Fund's performance against the designated reference benchmark (if available)</b></p>	<p>Not applicable the Target Fund does not have a designated reference benchmark that is used to measure its sustainable investment objective.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>(f) Descriptions on sustainability risk considerations and the inclusion of such risks in the SRI Fund's investment decision making process</b></p>	<p>Please refer to Pictet Asset Management's Responsible Investment Policy, under Sustainability Risks below.</p> <p><b>Sustainability Risks</b> The risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause a material negative impact on the value of the investment. Specific sustainability risks will vary for each portfolio, and include but are not limited to the following:</p> <p><b>Transition Risk</b> The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result from several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risks may negatively affect the value of investments by impairing assets or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.</p> <p><b>Physical Risk</b> The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change. Physical risk includes acute</p>

	<p>risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.</p> <p><b>Environmental Risk</b> The risk posed by the exposure to issuers that may potentially be causing or affected by environmental degradation and/or depletion of natural resources. Environmental risk may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems. Environmental risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.</p> <p><b>Social Risk</b> The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damages to public health, data privacy breaches, or increased inequalities. Social risks may negatively affect the value of investments by impairing as-sets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.</p> <p><b>Governance Risk</b> The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflicts of interest, reputational damages, increased liabilities or loss of investor confidence.</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>(g) Any other information, considered necessary and relevant by the issuer</b></p>	<p>More information on the Target Fund can also be referred to link provided below:  <a href="https://am.pictet/en/luxembourg/intermediary/funds/pictetnutrition/LU0428745664#esgDisclosures">https://am.pictet/en/luxembourg/intermediary/funds/pictetnutrition/LU0428745664#esgDisclosures</a></p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>
<p><b>Where the SRI Fund has provided previous periodic reviews, a comparison between the current and at least the previous reporting period</b></p>	<p>Not applicable as the SRI Fund did not provide previous periodic review for comparison</p> <p><i>Source: Pictet Asset Management, as at 31 May 2024</i></p>



Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 July 2024

**Independent auditors' report to the unit holder of  
AmSustainable Series - Nutrition Fund  
(formerly known as Sustainable Series - Nutrition Fund)**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of AmSustainable Series - Nutrition Fund (formerly known as Sustainable Series - Nutrition Fund) (the "Fund"), which comprise the statement of financial position as at 31 May 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holder and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 19 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

*Basis for opinion*

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

*Independence and other ethical responsibilities*

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

*Information other than the financial statements and auditors' report thereon*

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

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

**Independent auditors' report to the unit holder of  
AmSustainable Series - Nutrition Fund  
(formerly known as Sustainable Series - Nutrition Fund)**

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

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

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

*Responsibilities of the Manager and the Trustee for the financial statements*

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

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

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

*Auditors' responsibilities for the audit of the financial statements*

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

**Independent auditors' report to the unit holder of  
AmSustainable Series - Nutrition Fund  
(formerly known as Sustainable Series - Nutrition Fund)**

*Auditors' responsibilities for the audit of the financial statements (cont'd.)*

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

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

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

**Independent auditors' report to the unit holder of  
AmSustainable Series - Nutrition Fund  
(formerly known as Sustainable Series - Nutrition Fund)**

**Other matters**

This report is made solely to the unit holder of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Ng Sue Ean  
No. 03276/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
19 July 2024

**AmSustainable Series - Nutrition Fund**  
*(formerly known as Sustainable Series - Nutrition Fund)*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2024**

	Note	2024 USD	2023 USD
<b>ASSET</b>			
Cash at banks		864	1,226
<b>TOTAL ASSET</b>		<u>864</u>	<u>1,226</u>
<b>LIABILITY</b>			
Sundry payables and accruals		296	758
<b>TOTAL LIABILITY (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDER)</b>		<u>296</u>	<u>758</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO UNIT HOLDER</b>		<u>568</u>	<u>468</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDER OF THE FUND COMPRISE:</b>			
Unit holder’s contribution	9(a)(b)(c)	(1,445)	(1,553)
Retained earnings	9(d)	2,013	2,021
	9	<u>568</u>	<u>468</u>
<b>NET ASSET VALUE</b>			
- RM Class		124	112
- RM-Hedged Class		119	64
- USD Class		325	292
		<u>568</u>	<u>468</u>
<b>UNITS IN CIRCULATION</b>			
- RM Class	9(a)	797	797
- RM-Hedged Class	9(b)	889	500
- USD Class	9(c)	500	500
<b>NAV PER UNIT IN USD</b>			
- RM Class		0.1554	0.1399
- RM-Hedged Class		0.1336	0.1285
- USD Class		<u>0.6509</u>	<u>0.5850</u>
<b>NAV PER UNIT IN RESPECTIVE CURRENCIES</b>			
- RM Class (RM)		0.7308	0.6456
- RM-Hedged Class (RM)		0.6287	0.5928
- USD Class (USD)		<u>0.6509</u>	<u>0.5850</u>

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

**AmSustainable Series - Nutrition Fund**  
*(formerly known as Sustainable Series - Nutrition Fund)*

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	Note	01.06.2023 to 31.05.2024 USD	23.03.2022 to 31.05.2023 USD
<b>INVESTMENT (LOSS)/INCOME</b>			
Interest income		14	27
Net (loss)/gain from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	(13)	3,918
Other net realised losses on foreign currency exchange		(4)	(759)
		<u>(3)</u>	<u>3,186</u>
<b>EXPENDITURE</b>			
Manager’s fee	4	(1)	(194)
Trustee’s fee	5	-	(7)
Audit fee	6	-	(412)
Tax agent’s fee	7	-	(346)
Other expenses		(4)	(206)
		<u>(5)</u>	<u>(1,165)</u>
<b>Net (loss)/income before taxation</b>		(8)	2,021
<b>Taxation</b>	11	-	-
<b>Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial year/period</b>		<u>(8)</u>	<u>2,021</u>
Total comprehensive (loss)/income comprises the following:			
Realised (loss)/income		<u>(8)</u>	<u>2,021</u>

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

**AmSustainable Series - Nutrition Fund**  
*(formerly known as Sustainable Series - Nutrition Fund)*

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDER  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	Note	Unit holder's contribution USD	Retained earnings USD	Total USD
At 1 June 2023		(1,553)	2,021	468
Total comprehensive loss for the financial year		-	(8)	(8)
Creation of units				
- RM-Hedged Class	9(b)	1,017	-	1,017
Cancellation of units				
- RM-Hedged Class	9(b)	(909)	-	(909)
Balance at 31 May 2024		<u>(1,445)</u>	<u>2,013</u>	<u>568</u>
At date of launch, 23 March 2022		-	-	-
Total comprehensive income for the financial period		-	2,021	2,021
Creation of units				
- RM Class	9(a)	160,850	-	160,850
- RM-Hedged Class	9(b)	118	-	118
- USD Class	9(c)	500	-	500
Cancellation of units				
- RM Class	9(a)	(163,021)	-	(163,021)
Balance at 31 May 2023		<u>(1,553)</u>	<u>2,021</u>	<u>468</u>

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



**AmSustainable Series - Nutrition Fund**  
*(formerly known as Sustainable Series - Nutrition Fund)*

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

	<b>01.06.2023 to 31.05.2024 USD</b>	<b>23.03.2022 to 31.05.2023 USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investment	-	136,424
Purchases of investment	-	(132,500)
Other net realised losses on foreign currency exchange	(4)	(759)
Net settlement from derivative contract	(13)	(6)
Interest received	14	27
Manager's fee paid	(1)	(194)
Trustee's fee paid	-	(7)
Tax agent's fee paid	(346)	-
Payments for other expenses	(120)	(206)
Net cash (used in)/generated from operating and investing activities	<u>(470)</u>	<u>2,779</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,017	161,467
Payments for cancellation of units	(909)	(163,020)
Net cash generated from/(used in) financing activities	<u>108</u>	<u>(1,553)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(362)</b>	<b>1,226</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ AT DATE OF LAUNCH</b>	<u>1,226</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	<u>864</u>	<u>1,226</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>864</u>	<u>1,226</u>

**AmSustainable Series - Nutrition Fund**  
**(formerly known as Sustainable Series - Nutrition Fund)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

**1. GENERAL INFORMATION**

AmSustainable Series - Nutrition Fund (the “Fund”) was established pursuant to a Deed dated 20 January 2022 as amended by Deeds supplemental thereto (“the Deeds”) between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holder. By first Supplementary Information Memorandum dated 28 February 2024, the Fund has changed its name from Sustainable Series - Nutrition Fund to AmSustainable Series - Nutrition Fund.

The Fund seeks to provide long-term capital growth by investing in the Pictet - Nutrition (“Target Fund”). Being a feeder fund, a minimum of 85% of the Fund’s NAV will be invested in the Luxembourg-based Target Fund, which is a separate unit trust fund managed by Pictet Asset Management (Europe) S.A. (“Target Fund Manager”), while maintaining up to a maximum of 15% of the Fund’s NAV in liquid assets. As provided in the Deeds, the financial year shall end on 31 May and the units in the Fund were first offered for sale on 23 March 2022.

The financial statements were authorised for issue by the Manager on 19 July 2023.

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

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

*Standards effective during the financial year*

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

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	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

**AmSustainable Series - Nutrition Fund**  
*(formerly known as Sustainable Series - Nutrition Fund)*

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

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

Standards issued but not yet effective

The new and amended 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.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</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 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
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) Interest income

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

**AmSustainable Series - Nutrition Fund**  
**(formerly known as Sustainable Series - Nutrition Fund)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

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

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

- (ii) Gain or loss on disposal of investment

On disposal of investment, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investment. 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 United States Dollar ("USD") which is the currency in which the issuance and redemption certain of the Fund's units and the sale and purchase of the Fund's investment are denominated and settled. The Fund has also adopted USD 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 USD 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 investment that is readily convertible to cash with insignificant risk of changes in value.

**AmSustainable Series - Nutrition Fund**  
**(formerly known as Sustainable Series - Nutrition Fund)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

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

**3.6 Unit holder's contributions**

The unit holder's contribution of the Fund is 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 unit holder 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 three classes. Details are disclosed in Note 9.

**3.7 Distribution**

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from realised income and recognised in statement of comprehensive income, as the unit holders' contribution are classified as financial liabilities as per Note 3.6. Realised income is the income earned from interest income and net gain on disposal of investment after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**3.8 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 assets. 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.

**AmSustainable Series - Nutrition Fund**  
**(formerly known as Sustainable Series - Nutrition Fund)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

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

**3.8 Financial assets – initial recognition and measurement (cont'd.)**

(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.

**3.9 Financial assets under MFRS 9**

Classification and measurement

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

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

*Financial assets at amortised cost*

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 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 assets. 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.

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Interest earned element of such instrument is recorded in "Interest income". 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 investment in collective investment scheme ("CIS") at FVTPL. Distributions earned whilst holding the investment in CIS is recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investment in CIS, realised and unrealised, are included in profit or loss.

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

**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 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.

**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.



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**FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

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

**3.12 Financial instruments – expected credit losses (“ECL”) (cont’d.)**

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

**3.13 Determination of fair value**

For the investment in CIS, fair value is determined based on the closing NAV per unit of the foreign CIS. Purchased cost is the price that the Fund paid when buying its investment. 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 Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. AMOUNT DUE TO MANAGER**

Manager's fee is at a rate of 1.80% per annum on the NAV of the Fund, calculated on a daily basis. However, there is no Manager's fee for the financial period from 27 June 2023 to 31 May 2024.

**5. AMOUNT DUE TO TRUSTEE**

Trustee's fee is at a rate of 0.04% per annum on the NAV of the Fund, calculated on a daily basis. However, there is no Trustee's fee for the current financial year.

**6. AUDIT FEE**

The audit fee amounting to USD1,626 (23.03.2022 to 31.05.2023: USD1,480) is borne by the Manager in the previous financial period and current financial year.

**7. TAX AGENT'S FEE**

The tax agent's fee amounting to USD824 (23.03.2022 to 31.05.2023: USD553) is borne by the Manager in the previous financial period and current financial year.

**8. NET (LOSS)/GAIN FROM INVESTMENT**

	<b>01.06.2023 to 31.05.2024 USD</b>	<b>23.03.2022 to 31.05.2023 USD</b>
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gain on sale of investment	-	3,923
– Net realised losses on settlement of derivative contract	(13)	(5)
	<u>(13)</u>	<u>3,918</u>

**9. NAV ATTRIBUTABLE TO UNIT HOLDER**

Total NAV attributable to unit holder is represented by:

	<b>Note</b>	<b>2024 USD</b>	<b>2023 USD</b>
Unit holder's contribution			
– RM Class	(a)	(2,171)	(2,171)
– RM-Hedged Class	(b)	226	118
– USD Class	(c)	500	500
Retained earnings			
– Realised income	(d)	2,013	2,021
		<u>568</u>	<u>468</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. NAV ATTRIBUTABLE TO UNIT HOLDER (CONT'D.)**

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

<b>Classes of units</b>	<b>Currency denomination</b>	<b>Categories of investors</b>	<b>Distribution policy</b>
RM Class	RM	Mixed	Incidental
RM Hedged Class	RM	Mixed	Incidental
USD Class	USD	Mixed	Incidental

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

- (i) Initial price
- (ii) Minimum initial investment
- (iii) Additional investment

**(a) Unit holder's contribution/units in circulation – RM Class**

	<b>2024</b>		<b>2023</b>	
	<b>Number of units</b>	<b>USD</b>	<b>Number of units</b>	<b>USD</b>
At beginning of the financial year/ date of launch	797	(2,171)	-	-
Creation during the financial year/ period	-	-	795,858	160,850
Cancellation during the financial year/ period	-	-	(795,061)	(163,021)
At end of the financial year/ period	<u>797</u>	<u>(2,171)</u>	<u>797</u>	<u>(2,171)</u>

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

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**9. NAV ATTRIBUTABLE TO UNIT HOLDER (CONT'D.)**

**(b) Unit holder's contribution/units in circulation – RM-Hedged Class**

	2024		2023	
	Number of units	USD	Number of units	USD
At beginning of the financial year/ date of launch	500	118	-	-
Creation during the financial year/ period	7,930	1,017	500	118
Cancellation during the financial year/ period	(7,541)	(909)	-	-
At end of the financial year/ period	<u>889</u>	<u>226</u>	<u>500</u>	<u>118</u>

**(c) Unit holder's contribution/units in circulation – USD Class**

	2024		2023	
	Number of units	USD	Number of units	USD
At beginning of the financial year/ date of launch	500	500	-	-
Creation during the financial year/ period	-	-	500	500
At end of the financial year/ period	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

**(d) Realised - distributable**

	2024 USD	2023 USD
At beginning of the financial year/date of launch	2,021	-
Net realised (loss)/income for the financial year/period	<u>(8)</u>	<u>2,021</u>
At end of the financial year/period	<u>2,013</u>	<u>2,021</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES**

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

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

	2024		2023	
	Number of units	USD	Number of units	USD
The Manager*	2,186	568	1,797	468

\* The Manager is the legal and beneficial owner of the units.

There are no units held by any other related party as at 31 May 2024 and 31 May 2023.

**11. TAXATION**

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

A reconciliation of income tax expense applicable to net (loss)/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:

	01.06.2023 to 31.05.2024 USD	23.03.2022 to 31.05.2023 USD
Net (loss)/income before taxation	(8)	2,021
Taxation at Malaysian statutory rate of 24% (2023: 24%)	(2)	485
Tax effects of:		
Income not subject to tax	(3)	(948)
Losses not allowed for tax deduction	4	183
Restriction on tax deductible expenses for unit trust fund	1	132
Non-permitted expenses for tax purposes	-	134
Permitted expenses not used and not available for future financial periods	-	14
Tax expense for the financial year/period	-	-

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**12. TOTAL EXPENSE RATIO (“TER”)**

The Fund’s TER is as follows:

	<b>01.06.2023 to 31.05.2024</b>	<b>23.03.2022 to 31.05.2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	0.19	1.09
Trustee’s fee	-	0.04
Fund’s other expenses	0.75	5.41
Total TER	<u>0.94</u>	<u>6.54</u>

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

**13. 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 nil (23.03.2022 to 31.05.2023 7.54 times).

**14. SEGMENTAL REPORTING**

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 85% of the Fund’s NAV will be invested in the Target Fund.

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its investment by separate business or geographical segments.

**15. FINANCIAL INSTRUMENTS**

**(a) Classification of financial instruments**

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

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**15. FINANCIAL INSTRUMENTS (CONT'D.)**

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

	<b>Financial assets at FVTPL USD</b>	<b>Financial assets at amortised cost USD</b>	<b>Financial liabilities at amortised cost USD</b>	<b>Total USD</b>
<b>2024</b>				
<b>Financial asset</b>				
Cash at banks	-	864	-	864
Total financial asset	<u>-</u>	<u>864</u>	<u>-</u>	<u>864</u>
<b>2023</b>				
<b>Financial asset</b>				
Cash at banks	-	1,226	-	1,226
Total financial asset	<u>-</u>	<u>1,226</u>	<u>-</u>	<u>1,226</u>

	<b>Income, expenses, gains and losses</b>	
	<b>01.06.2023 to 31.05.2024 USD</b>	<b>23.03.2022 to 31.05.2023 USD</b>
Net (loss)/gain from financial assets at FVTPL	(13)	3,918
Income, of which derived from:		
– Interest income from financial assets at amortised cost	14	27
– Other net realised losses on foreign currency exchange	<u>(4)</u>	<u>(759)</u>

**(b) Financial instruments that are carried at fair value**

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. FINANCIAL INSTRUMENTS (CONT'D.)**

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

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

- Cash at banks

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

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

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investment coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and the Deeds 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 Funds'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 investment in the Target Fund. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

**(ii) Currency risk**

Currency risk is associated with the Fund's financial assets and financial 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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(a) Market risk (cont'd.)**

**(ii) Currency risk (cont'd.)**

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

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2024 USD	2023 USD
+5.00%	10	10
-5.00%	(10)	(10)

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

Financial asset denominated in	2024		2023	
	USD equivalent	% of NAV	USD equivalent	% of NAV
<b>Ringgit Malaysia</b>				
Cash at bank	202	35.56	203	43.45

**(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 derivative assets. 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 investment to fluctuate in value.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund manages the risk by setting internal counterparty limits and undertaking internal credit evaluation to minimise such risk.

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. 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 financial liabilities or redeem its units earlier than expected. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

The following table presents the undiscounted contractual cash flows from different financial asset classes in the Fund:

	<b>Contractual cash flows (undiscounted)</b> <b>0 – 1</b> <b>year</b> <b>RM</b>
<b>2024</b>	
<b>Financial asset</b>	
Cash at banks	864
<b>Total financial asset</b>	864
<b>2023</b>	
<b>Financial asset</b>	
Cash at banks	1,226
<b>Total financial asset</b>	1,226

**(d) Single issuer risk**

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund is restricted from investing in securities issued by any issuer in excess of a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed by the Target Fund Manager based on internal/external ratings.

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

**(e) Regulatory risk**

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

**(f) Country risk**

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

**(g) Management risk**

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

**(h) Non-compliance risk**

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the 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.

The specific risks associated to the Target Fund include market risk, securities risk, emerging market risk, settlement and credit risks, regulatory and accounting standards risks, political risk, custody risk and liquidity risk.

**17. CAPITAL MANAGEMENT**

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

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

No changes were made in the objective, policies or processes during the financial year ended 31 May 2024 and financial period ended 31 May 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. COMPARATIVES**

The comparatives are in respect of the financial period from 23 March 2022 (date of launch) to 31 May 2023 which are not comparable to current financial year's reported numbers in the statement of comprehensive income, statement of changes in net assets attributable to unit holders, statement of cash flows and notes to the financial statements.

**AmSustainable Series - Nutrition Fund**  
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**STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmSustainable Series - Nutrition Fund (the “Fund”) (*formerly known as Sustainable Series - Nutrition Fund*) as at 31 May 2024 and the comprehensive income, the changes in net assets attributable to unit holder and cash flows for the financial year then ended.

For and on behalf of the Manager

**GOH WEE PENG**  
Executive Director

Kuala Lumpur, Malaysia  
19 July 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMSUSTAINABLE SERIES - NUTRITION FUND ("Fund") (FORMERLY KNOWN AS SUSTAINABLE SERIES - NUTRITION FUND)**

We have acted as Trustee of the Fund for the financial year ended 31 May 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 year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
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  
19 July 2024

## DIRECTORY

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Email: enquiries@aminvest.com

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

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*

