

Annual Report for

# AmTactical Bond

31 August 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 Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmTactical Bond ("Fund") for the financial year ended 31 August 2024.

### Salient Information of the Fund

<b>Name</b>	AmTactical Bond ("Fund")
<b>Category/ Type</b>	Bond / Income and Growth
<b>Objective</b>	<p>The Fund aims to provide income* and to a lesser extent capital appreciation by investing primarily in bonds.</p> <p><i>Notes:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i> <i>*Income distribution (if any) will be reinvested.</i></p>
<b>Duration</b>	<p>The Fund was established on 29 October 2012 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.</p>
<b>Performance Benchmark</b>	<p>Quantshop All MGS Index ("All MGS"). (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: There is no specific index available in the market that is applicable for the Fund. As the Fund is a bond fund that invests primarily in a mixture of domestic and foreign sovereign, quasi-sovereign and corporate bonds, hence this index is chosen as it is widely used as benchmark for bond funds in the Malaysia market. The risk profile of the performance benchmark is not the same as the risk profile of the Fund. The Fund is expected to outperform the Quantshop All MGS Index.</i></p>
<b>Income Distribution Policy</b>	<p><b><u>Class B (MYR)</u></b></p> <p>Subject to availability of income, distribution is paid twice every year and will be reinvested into additional units of the respective Class.</p> <p><i>Note: Income distribution amount (if any) for each of the Classes would be different subject to sole discretion of the Manager.</i></p>

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 August are as follows:			
		As at 31 August		
		2024 %	2023 %	2022 %
	Local corporate bonds	54.40	42.17	47.36
	Foreign corporate bonds	24.61	21.53	34.97
	Foreign Government bonds	7.66	6.01	10.92
	Malaysian Government Securities	2.68	10.61	-
	Forward contract	-	-	-0.09
	Money market deposits and cash equivalents	10.65	19.68	6.84
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
<b>Performance Details</b>	Performance details of the Fund for the financial years ended 31 August are as follows:			
		FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)	39,678,648	50,941,065	59,376,518
	Units in circulation	39,364,522	51,468,660	57,072,898
	Net asset value per unit (RM)	1.0080	0.9897	1.0404
	Highest net asset value per unit (RM)	1.0282	1.0342	1.1719
	Lowest net asset value per unit (RM)	0.9908	0.9238	0.9978
	Benchmark performance (%)	4.85	5.54	-0.39
	Total return (%) <sup>(1)</sup>	2.34	-4.68	-10.27
	- Capital growth (%)	1.47	-4.68	-11.27
	- Income distribution (%)	0.87	-	1.00
	Gross distribution (sen per unit)	0.9433	-	1.1700
	Net distribution (sen per unit)	0.8584	-	1.1700
	Total expenses ratio (%) <sup>(2)</sup>	1.13	1.12	1.09
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.78	0.96	0.31
	<i>Note:</i>			
	<i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.</i>			
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER increased by 0.01% as compared to 1.12% per annum for the financial year ended 31 August 2023 mainly due to decrease in average fund size.</i>			
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The decrease in the PTR for 2024 and increase for 2023 were due mainly to investing activities.</i>			

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

<b>Class B (MYR)</b>	<b>AmTactical Bond<sup>(a)</sup> %</b>	<b>All MGS<sup>(b)</sup> %</b>
One year	2.34	4.85
Three years	-4.34	3.30
Five years	-1.22	3.41
Ten years	3.32	4.31

**Annual Total Return**

<b>Financial Years Ended (31 August) Class B (MYR)</b>	<b>AmTactical Bond<sup>(a)</sup> %</b>	<b>All MGS<sup>(b)</sup> %</b>
2024	2.34	4.85
2023	-4.68	5.54
2022	-10.27	-0.39
2021	2.60	-0.41
2020	4.73	7.76

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

(b) Quantshop All MGS Index ("All MGS"). (Available at [www.aminvest.com](http://www.aminvest.com))

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

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

**Fund Performance****Class B (MYR)**

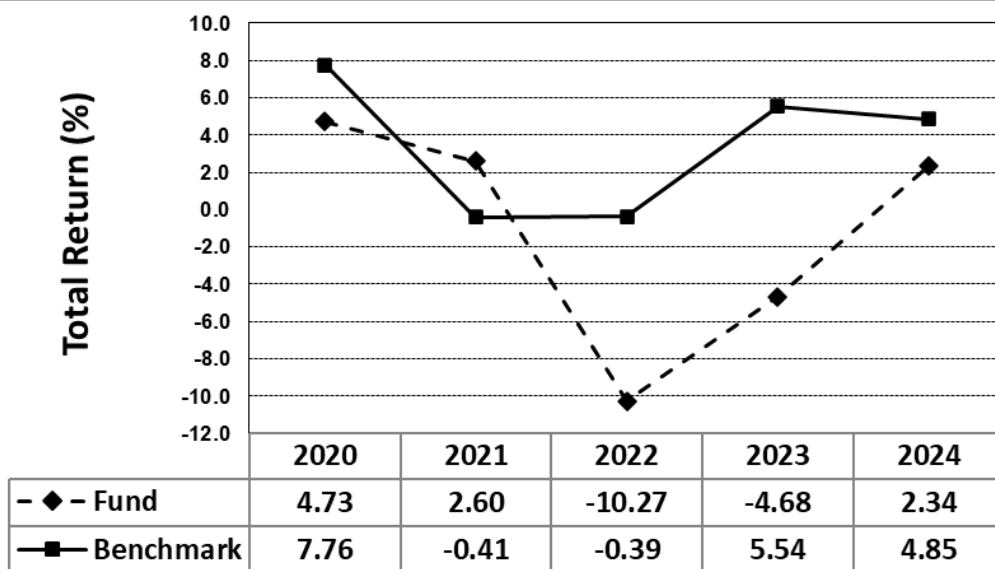
For the financial year under review, the Fund registered a return of 2.34%<sup>(a)</sup> comprising of 1.47% capital growth and 0.87% income distribution.

Thus, the Fund's return of 2.34%<sup>(a)</sup> has underperformed the benchmark's return of 4.85% by 2.51%.

As compared with the financial year ended 31 August 2023, the net asset value ("NAV") per unit of the Fund increased by 1.85% from RM0.9897 to RM1.0080, while units in circulation decreased by 23.52% from 51,468,660 units to 39,364,522 units.

(a) Price based on published price (last business day).

The following line chart shows comparison between the annual performances of AmTactical Bond – Class B (MYR) and its benchmark, All MGS, for the financial years ended 31 August.



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

For the financial year under review, the Fund invested primarily in corporate bonds. The Manager analyses the general economic and market conditions. The Manager also analyses and compares fixed income securities in terms of expected returns against assumed risk by analyzing credit rating and duration of the fixed income securities, where the Manager selects securities that would deliver better returns for a given level of risk. The Fund's investment is subject to active tactical duration management, where duration of the portfolio of the Fund is monitored and modified according to interest rate outlook without any portfolio maturity limitation.

#### Portfolio Structure

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

	As at 31.08.2024 %	As at 31.08.2023 %	Changes %
Local corporate bonds	54.40	42.17	12.23
Foreign corporate bonds	24.61	21.53	3.08
Foreign Government bonds	7.66	6.01	1.65
Malaysian Government Securities	2.68	10.61	-7.93
Money market deposits and cash equivalents	10.65	19.68	-9.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

For the financial year under review, the Fund invested 24.61% of NAV in foreign corporate bonds, 54.40% in local corporate bonds, 7.66% in foreign government bond, 2.68% in Malaysian Government Securities and the balance of 10.65% was held in money market deposits and cash equivalents.

#### Securities Lending / Repurchase Transactions

The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").

<b>Cross Trades</b>	There were no cross trades undertaken during the financial year under review.			
<b>Distribution/ unit splits</b>	During the financial year under review, the Fund declared income distribution, detailed as follows:			
	<b>Date of distribution</b>	<b>Distributions per unit RM (sen)</b>	<b>NAV per unit Cum-Distribution (RM)</b>	<b>NAV per unit Ex-Distribution (RM)</b>
	15-Apr-24	0.8584	1.0260	1.0175
	There is no unit split declared for the financial year under review.			
<b>State of Affairs</b>	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.			
<b>Rebates and Soft Commission</b>	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.			
<b>Market Review</b>	<p>In the beginning of the year under review, domestic bond market was volatile. The lack of catalyst in the local bond market sent Malaysian Government Securities (MGS) yields to slowly drift higher as global bond market sentiment weakened when the “higher for longer” narrative in United States (US) took center stage. Both 10-year and 30-year United States Treasuries (UST) briefly touching the 5.00% psychological level in October 2023.</p> <p>However, sentiment in the local bond market shifted to a positive stance in November 2023, buoyed by a subsequent rally in UST on the back of a slew of underwhelming macro data releases, the Israel-Hamas crisis and a dovish guidance from the December Federal Open Market Committee (FOMC). The bullish sentiment and strong domestic liquidity continued to lend support to the bond market in 1Q2024 until MGS yields repriced higher in April 2024 following a sell-off in UST on stronger than expected inflation and job data.</p> <p>The sell-off in the local bond market was then reversed in end-April, tracked the better performance in the UST. Economic data releases from the US were generally supportive of the bond market, indicating a cooling labour market and a continued disinflation trend. Moving towards the month of August 2024, investors digested comments from Federal Reserve (Fed) Chair Jerome Powell, who suggested a September rate cut was on the table, along with a jump in US jobless claims, the 10-year UST yield fell below 4% for the first time since February. Overall, the MGS curve ended lower year-on-year (YoY) driven by ample domestic liquidity and movement in the UST.</p>			
<b>Market Outlook</b>	<p>All eyes will be on the upcoming United States (US) Federal Reserve (Fed) meeting where consensus is that the Fed will finally cut interest rates. We expect emerging bond markets to rally on the back of strengthening local currencies attracting foreign inflows and that globally, central banks would also embark on rates easing.</p> <p>Although the domestic bond market has rallied since the beginning of the year, we expect sentiments to remain bullish owing to ample market liquidity with strong demand on bonds on an extended pause on the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM).</p>			



Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 October 2024

## **Independent auditors' report to the unit holders of AmTactical Bond**

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

#### *Opinion*

We have audited the financial statements of AmTactical Bond (the "Fund"), which comprise the statement of financial position as at 31 August 2024, and statement of comprehensive income, statement of changes in equity 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 11 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 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 our auditors' report thereon.

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

## **Independent auditors' report to the unit holders of AmTactical Bond (cont'd.)**

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

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

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

### *Responsibilities of the Manager and the 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 holders of AmTactical Bond (cont'd.)**

### *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 holders of  
AmTactical Bond (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the 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  
18 October 2024

**AmTactical Bond****STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2024**

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Investments	4	35,453,139	40,916,351
Amount due from Manager	5(a)	-	4,675
Deposits with licensed financial institutions	6	4,394,669	10,018,547
Tax recoverable		156,654	-
Interest receivable		75,565	18,258
Cash at banks		149,305	155,250
<b>TOTAL ASSETS</b>		<u>40,229,332</u>	<u>51,113,081</u>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	535,821	98,000
Amount due to Trustee	7	2,080	2,610
Tax payable		-	58,507
Sundry payables and accruals		12,783	12,899
<b>TOTAL LIABILITIES</b>		<u>550,684</u>	<u>172,016</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>39,678,648</u>	<u>50,941,065</u>
<b>EQUITY</b>			
Unit holders' capital	9(a)	52,613,165	64,978,924
Accumulated losses	9(b)(c)	<u>(12,934,517)</u>	<u>(14,037,859)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>39,678,648</u>	<u>50,941,065</u>
<b>UNITS IN CIRCULATION</b>			
- Class B (MYR)	9(a)	<u>39,364,522</u>	<u>51,468,660</u>
<b>NAV PER UNIT (RM)</b>			
- Class B (MYR)		<u>1.0080</u>	<u>0.9897</u>

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

## AmTactical Bond

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income		2,417,577	2,263,040
Net losses from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	(374,270)	(4,118,455)
Other net realised gain/(loss) on foreign currency exchange		19,446	(227,487)
Other net unrealised gain on foreign currency exchange		175	-
		<u>2,062,928</u>	<u>(2,082,902)</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(486,401)	(526,045)
Trustee’s fee	7	(29,184)	(31,563)
Audit fee		(8,000)	(8,000)
Tax agent’s fee		(4,100)	(4,100)
Custodian’s fee		(4,296)	(6,359)
Other expenses		(18,578)	(12,988)
		<u>(550,559)</u>	<u>(589,055)</u>
<b>Net income/(loss) before taxation</b>		1,512,369	(2,671,957)
<b>Taxation</b>	11	<u>(20,288)</u>	<u>(240,313)</u>
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year</b>		<u>1,492,081</u>	<u>(2,912,270)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income/(loss)		1,614,328	(11,187,427)
Unrealised (loss)/gain		<u>(122,247)</u>	<u>8,275,157</u>
		<u>1,492,081</u>	<u>(2,912,270)</u>
<b>Distribution for the financial year</b>			
Net distribution	12	<u>388,739</u>	-
Gross distribution per unit (sen)	12	<u>0.9433</u>	-
Net distribution per unit (sen)	12	<u>0.8584</u>	-

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

## AmTactical Bond

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 September 2023		64,978,924	(14,037,859)	50,941,065
Total comprehensive income for the financial year		-	1,492,081	1,492,081
Creation of units	9(a)	4,606,168	-	4,606,168
Reinvestment of distribution	9(a)	388,739	-	388,739
Cancellation of units	9(a)	(17,360,666)	-	(17,360,666)
Distribution	12	-	(388,739)	(388,739)
Balance at 31 August 2024		<u>52,613,165</u>	<u>(12,934,517)</u>	<u>39,678,648</u>
At 1 September 2022		70,502,107	(11,125,589)	59,376,518
Total comprehensive loss for the financial year		-	(2,912,270)	(2,912,270)
Creation of units	9(a)	4,234,769	-	4,234,769
Cancellation of units	9(a)	(9,757,952)	-	(9,757,952)
Balance at 31 August 2023		<u>64,978,924</u>	<u>(14,037,859)</u>	<u>50,941,065</u>

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



## AmTactical Bond

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		40,181,897	55,066,034
Purchases of investments		(34,773,694)	(44,662,325)
Net settlement from derivative contracts		(283,240)	(773,613)
Interest received		2,343,871	2,663,883
Manager's fee paid		(498,610)	(531,466)
Trustee's fee paid		(29,714)	(32,033)
Tax agent's fee paid		(4,100)	(4,100)
Custodian's fee paid		(4,296)	(6,359)
Tax paid		(235,450)	(164,408)
Payments for other expenses		(26,694)	(23,386)
Net cash generated from operating and investing activities		<u>6,669,970</u>	<u>11,532,227</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		4,610,843	4,230,095
Payments for cancellation of units		(16,910,636)	(9,794,639)
Net cash used in financing activities		<u>(12,299,793)</u>	<u>(5,564,544)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(5,629,823)	5,967,683
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>10,173,797</u>	<u>4,206,114</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u>4,543,974</u>	<u>10,173,797</u>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	6	4,394,669	10,018,547
Cash at banks		149,305	155,250
		<u>4,543,974</u>	<u>10,173,797</u>

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

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

#### 1. GENERAL INFORMATION

AmTactical Bond (the “Fund”) was established pursuant to a Deed dated 23 March 2012 as amended by the Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to provide income and to a lesser extent capital appreciation by investing primarily in bonds. As provided in the Deeds, the financial year shall end on 31 August. The units in the Fund for Class B (MYR) were first offered for sale on 29 October 2012, while Class A (USD), Class B (AUD) and Class B (SGD) were first offered for sales on 16 July 2014. There were no units in circulation for Class A (USD), Class B (AUD) and Class B (SGD) since its offer date and those units were terminated on 31 August 2018.

The financial statements were authorised for issue by the Manager on 18 October 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 (“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.

Description	Effective for financial periods beginning on or after
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

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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.

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 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
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	
Amendments to MFRS 9 <i>Financial Instruments</i>	
Amendments to MFRS 10 <i>Consolidated Financial Statements*</i>	
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</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.

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

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

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

(i) Interest income

For all interest-bearing financial assets, interest income is calculated using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

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

(ii) Gain or loss on disposal of investments

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

**3.2 Income tax**

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

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

**3.3 Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

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

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

**3.4 Foreign currency transactions**

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

**3.5 Statement of cash flows**

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

**3.6 Distribution**

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

**3.7 Unit holders' capital**

The unit holders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments as it meets all criteria for such classification under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

**3.8 Financial instruments – 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.

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

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

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

(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.

(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**

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.

*Business model*

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

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

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

**3.9 Financial assets (cont'd.)**

Classification and measurement (cont'd.)

*Cash flow characteristics*

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

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.

*Financial assets at FVOCI*

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

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

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

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

**3.9 Financial assets (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". 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.

**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.



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

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

**3.11 Derecognition of financial instruments (cont'd.)**

(i) Derecognition of financial asset (cont'd.)

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.

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

**3.13 Determination of fair value**

For investments in local fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd. plus accrued interest, which includes the accretion of discount and amortisation of premium. For investments in foreign fixed income securities, fair value will be based on indicative prices provided by independent and reputable institutions plus accrued interest. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

The fair value of foreign exchange - forward contracts is calculated by reference to prevailing forward exchange rates for contracts with similar maturity profiles in the market. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

##### 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 year.

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

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

#### 4. INVESTMENTS

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
Fixed income securities - local	22,646,985	26,890,671
Fixed income securities - foreign	12,806,154	14,025,680
	<u>35,453,139</u>	<u>40,916,351</u>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of investments as at 31 August 2024 are as follows:

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Fixed income securities - local</b>						
<b>Corporate bonds</b>						
19.03.2027	IJM Land Berhad	A	2,000,000	2,102,239	2,052,119	5.30
20.04.2028	UMW Holdings Berhad	AA	3,600,000	3,948,316	3,682,672	9.95
03.05.2028	UDA Holdings Berhad	AA	200,000	206,834	203,648	0.52
05.05.2028	GENM Capital Berhad	AA	700,000	726,293	711,474	1.83
09.05.2031	UDA Holdings Berhad	AA	1,000,000	1,033,054	1,021,162	2.60
31.05.2032	GENM Capital Berhad	AA	1,500,000	1,558,167	1,519,377	3.93
30.07.2035	CIMB Islamic Bank Berhad	AAA	1,500,000	1,510,995	1,505,520	3.81
11.11.2036	YTL Corporation Berhad	AA	2,000,000	2,214,983	2,044,146	5.58
02.06.2037	TNB Power Generation Sdn. Bhd.	AAA	250,000	279,263	253,078	0.70
05.01.2038	Edra Energy Sdn. Bhd.	AA	5,000,000	6,312,962	5,200,204	15.91
02.06.2042	TNB Power Generation Sdn. Bhd.	AAA	500,000	577,430	506,340	1.46
06.10.2042	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	1,000,000	1,113,195	1,032,449	2.81
<b>Total corporate bonds</b>			<b>19,250,000</b>	<b>21,583,731</b>	<b>19,732,189</b>	<b>54.40</b>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of investments as at 31 August 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Fixed income securities - local (cont'd.)</b>						
<b>Malaysian Government Securities</b>						
31.03.2053	Government of Malaysia	NR*	1,000,000	1,063,254	1,064,157	2.68
<b>Total Malaysian Government Securities</b>			1,000,000	1,063,254	1,064,157	2.68
<b>Total fixed income securities - local</b>			20,250,000	22,646,985	20,796,346	57.08

Maturity date	Issuer	Credit rating	Nominal value USD	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Fixed income securities - foreign</b>						
<b>Corporate bonds denominated in United States Dollar ("USD")</b>						
24.01.2027	GOHL Capital Limited	BBB	900,000	3,810,528	3,744,361	9.60
27.12.2027	Lenovo Group Limited	BBB	300,000	1,339,777	1,343,934	3.38
07.03.2028	HSBC Holdings PLC	BBB	500,000	2,393,611	2,529,762	6.03
27.06.2029	The Bank Of East Asia Limited	BBB	500,000	2,222,043	2,370,866	5.60
<b>Total corporate bonds denominated in USD</b>			2,200,000	9,765,959	9,988,923	24.61

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Details of investments as at 31 August 2024 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value USD	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>Fixed income securities - foreign (cont'd.)</b>						
<b>Government bond denominated in USD</b>						
01.09.2025	United States of America	AA	700,000	3,040,195	3,276,364	7.66
<b>Total Government bond denominated in USD</b>			<b>700,000</b>	<b>3,040,195</b>	<b>3,276,364</b>	<b>7.66</b>
<b>Total fixed income securities - foreign</b>			<b>2,900,000</b>	<b>12,806,154</b>	<b>13,265,287</b>	<b>32.27</b>
<b>Total financial assets at FVTPL</b>				<b>35,453,139</b>	<b>34,061,633</b>	<b>89.35</b>
<b>Excess of fair value over adjusted cost</b>				<b>1,391,506</b>		

\* Non-Rated

	Effective yield	
	2024 %	2023 %
Fixed income securities - local		
- Corporate bonds	4.34	4.73
- Malaysian Government Securities	4.19	3.84
Fixed income securities - foreign		
- Corporate bonds	6.02	6.46
- Government bond	4.42	5.12

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

Analysis of the remaining maturity of investments as at 31 August 2024 and 31 August 2023 are as follows:

	<b>1 year to 5 years RM</b>	<b>More than 5 years RM</b>
<b>2024</b>		
At nominal value:		
Corporate bonds	6,500,000	12,750,000
Malaysian Government Securities	-	1,000,000
	<u>                    </u>	<u>                    </u>
<b>2023</b>		
At nominal value:		
Corporate bonds	11,000,000	8,750,000
Malaysian Government Securities	-	5,000,000
	<u>                    </u>	<u>                    </u>
	<b>1 year to 5 years USD</b>	<b>More than 5 years USD</b>
<b>2024</b>		
At nominal value:		
Corporate bonds	2,200,000	-
Government bond	700,000	-
	<u>                    </u>	<u>                    </u>
<b>2023</b>		
At nominal value:		
Corporate bonds	2,000,000	500,000
Government bond	700,000	-
	<u>                    </u>	<u>                    </u>

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

	<b>Note</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>                    </u>	<u>                    </u>
		-	4,675
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	498,857	48,827
Manager's fee payable	(iii)	36,964	49,173
		<u>                    </u>	<u>                    </u>
		535,821	98,000
		<u>                    </u>	<u>                    </u>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

- (i) This represents amount receivable from the Manager for units created.
- (ii) This represents amount payable to the Manager for units cancelled.

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

- (iii) Manager's fee is at a rate of 1.00% (2023: 1.00%) per annum for Class B (MYR) on the NAV of the Fund, calculated on a daily basis.

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

#### 6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2024 RM	2023 RM
At nominal value:		
Short-term deposits	<u>4,393,838</u>	<u>10,016,295</u>
At carrying value:		
Short-term deposits	<u>4,394,669</u>	<u>10,018,547</u>

Details of deposits with financial institutions are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
<b>2024</b>				
<b>Short-term deposits</b>				
02.09.2024	Malayan Banking Berhad	3,785,000	3,785,653	9.54
03.09.2024	Malayan Banking Berhad	608,838	609,016	1.54
		<u>4,393,838</u>	<u>4,394,669</u>	<u>11.08</u>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

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

	Weighted average effective interest rate		Weighted average remaining maturities	
	2024 %	2023 %	2024 Days	2023 Day
Short-term deposits	3.44	4.07	3	1

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (2023: 0.06%) per annum for Class B (MYR) on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

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

#### 8. NET LOSSES FROM INVESTMENTS

	2024 RM	2023 RM
Net losses on financial assets at FVTPL comprised:		
- Net realised losses on sale of investments	(446,564)	(13,842,955)
- Net realised gains on foreign currency exchange	477,956	2,222,956
- Net realised losses on settlement of derivative contract	(283,240)	(773,613)
- Net unrealised gains on changes in fair value of investments	1,534,392	8,925,991
- Net unrealised losses on foreign currency fluctuation of investments denominated in foreign currency	(1,656,814)	(706,131)
- Net unrealised gain from revaluation of derivative contract	-	55,297
	<u>(374,270)</u>	<u>(4,118,455)</u>

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	52,613,165	64,978,924
Accumulated losses			
- Realised losses	(b)	(14,326,198)	(15,551,787)
- Unrealised gains	(c)	1,391,681	1,513,928
		<u>39,678,648</u>	<u>50,941,065</u>



## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

##### (a) Unit holders' capital/units in circulation - Class B (MYR)

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	51,468,660	64,978,924	57,072,898	70,502,107
Creation during the financial year	4,542,375	4,606,168	4,429,387	4,234,769
Reinvestment of distribution	382,054	388,739	-	-
Cancellation during the financial year	(17,028,567)	(17,360,666)	(10,033,625)	(9,757,952)
At end of the financial year	<u>39,364,522</u>	<u>52,613,165</u>	<u>51,468,660</u>	<u>64,978,924</u>

##### (b) Realised

	2024 RM	2023 RM
At beginning of the financial year	(15,551,787)	(4,364,360)
Net realised income/(loss) for the financial year	1,614,328	(11,187,427)
Distributions out of realised income (Note 12)	(388,739)	-
At end of the financial year	<u>(14,326,198)</u>	<u>(15,551,787)</u>

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

	2024 RM	2023 RM
At beginning of the financial year	1,513,928	(6,761,229)
Net unrealised (loss)/gain for the financial year	(122,247)	8,275,157
At end of the financial year	<u>1,391,681</u>	<u>1,513,928</u>

#### 10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

##### Related parties

AmFunds Management Berhad  
AmInvestment Bank Berhad  
AMMB Holdings Berhad ("AMMB")  
Subsidiaries and associates of AMMB  
as disclosed in its financial statements

##### Relationships

The Manager  
Holding company of the Manager  
Ultimate holding company of the Manager  
Subsidiaries and associate companies of the  
ultimate holding company of the Manager

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

#### 10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONT'D.)

There are no units held by the Manager or any other related party as at 31 August 2024 and 31 August 2023.

#### 11. TAXATION

	2024 RM	2023 RM
<b>Local tax</b>		
– current year	23,046	240,313
– over provision in previous years	<u>(2,758)</u>	<u>-</u>
	<u>20,288</u>	<u>240,313</u>

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

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax. Foreign-sourced income (“FSI”) received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Based on the Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024, a qualifying unit trust is exempted from the payment of income tax in respect of the gross income from all sources of income under section 4 of the Act which is received in Malaysia from outside Malaysia between 1 January 2024 to 31 December 2026.

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

	2024 RM	2023 RM
Net income/(loss) before taxation	<u>1,512,369</u>	<u>(2,671,957)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	362,969	(641,270)
Tax effects of:		
Income not subject to tax	(1,127,313)	(2,978,992)
Losses not allowed for tax deduction	667,122	3,732,053
Restriction on tax deductible expenses for unit trust fund	106,790	115,656
Non-permitted expenses for tax purposes	13,478	12,866
Over provision in previous financial years	<u>(2,758)</u>	<u>-</u>
Tax expense for the financial year	<u>20,288</u>	<u>240,313</u>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

#### 12. DISTRIBUTION

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

	<b>2024</b>
	<b>RM</b>
Gross distribution per unit (sen)	<u>0.9433</u>
Net distribution per unit (sen)	<u>0.8584</u>

#### Financial year ended 31 August 2024

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
15 April 2024	<u>0.9433</u>	<u>0.8584</u>	<u>388,739</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution for the financial year ended 31 August 2024 has been proposed before taking into account the net unrealised loss of RM122,247 arising during the financial year which is carried forward to the next financial year.

#### 13. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	1.00	1.00
Trustee’s fee	0.06	0.06
Fund’s other expenses	0.07	0.06
Total TER	<u>1.13</u>	<u>1.12</u>

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

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.78 times (2023: 0.96 times).

#### 15. SEGMENTAL REPORTING

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

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

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

	<b>Foreign fixed income portfolio RM</b>	<b>Local fixed income portfolio RM</b>	<b>Total RM</b>
<b>2024</b>			
Interest income	1,023,340	1,394,237	2,417,577
Net (loss)/gain from investments:			
- Financial assets at FVTPL	(985,507)	611,237	(374,270)
Other net realised gain on foreign currency exchange	19,446	-	19,446
Other net unrealised gain on foreign currency exchange	175	-	175
Total segment investment income for the financial year	<u>57,454</u>	<u>2,005,474</u>	<u>2,062,928</u>
Financial assets at FVTPL	12,806,154	22,646,985	35,453,139
Deposits with licensed financial institutions	609,016	3,785,653	4,394,669
Interest receivable	75,565	-	75,565
Total segment assets	<u>13,490,735</u>	<u>26,432,638</u>	<u>39,923,373</u>
<b>2023</b>			
Interest income	730,620	1,532,420	2,263,040
Net (loss)/gain from investments:			
- Financial assets at FVTPL	(5,061,621)	943,166	(4,118,455)
Other net realised loss on foreign currency exchange	(227,487)	-	(227,487)
Total segment investment (loss)/income for the financial year	<u>(4,558,488)</u>	<u>2,475,586</u>	<u>(2,082,902)</u>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM
<b>2023 (cont'd.)</b>			
Financial assets at FVTPL	14,025,680	26,890,671	40,916,351
Deposit with a licensed financial institution	4,800,689	5,217,858	10,018,547
Interest receivable	18,258	-	18,258
Total segment assets	<u>18,844,627</u>	<u>32,108,529</u>	<u>50,953,156</u>

There were no segment liabilities as at 31 August 2024 and 31 August 2023.

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

	2024 RM	2023 RM
Net reportable segment investment income/(loss)	2,062,928	(2,082,902)
Less: Expenses	<u>(550,559)</u>	<u>(589,055)</u>
Net income/(loss) before taxation	1,512,369	(2,671,957)
Taxation	<u>(20,288)</u>	<u>(240,313)</u>
Net income/(loss) after taxation	<u>1,492,081</u>	<u>(2,912,270)</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.

	2024 RM	2023 RM
Total segment assets	39,923,373	50,953,156
Amount due from Manager	-	4,675
Tax recoverable	156,654	-
Cash at banks	149,305	155,250
Total assets of the Fund	<u>40,229,332</u>	<u>51,113,081</u>
Amount due to Manager	535,821	98,000
Amount due to Trustee	2,080	2,610
Tax payable	-	58,507
Sundry payables and accruals	12,783	12,899
Total liabilities of the Fund	<u>550,684</u>	<u>172,016</u>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

#### 16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 August 2024 are as follows:

	Transaction value	
	RM	%
JP Morgan Securities Ltd London	28,891,475	38.43
AmBank (M) Berhad*	9,321,111	12.40
RHB Investment Bank Berhad	7,095,639	9.44
Merrill Lynch Int Ltd (London)	5,009,892	6.66
HSBC Bank Malaysia Berhad	4,973,871	6.61
Mitsubishi UFJ Trust International Limited	4,440,051	5.91
Hong Leong Bank Berhad	4,427,936	5.89
CIMB Bank Berhad	3,108,691	4.13
JP Morgan Securities (M) Sdn. Bhd.	2,106,942	2.80
AmBank Islamic Berhad*	2,091,609	2.78
Others	3,720,616	4.95
Total	<u>75,187,833</u>	<u>100.00</u>

\* Financial institutions related to the Manager.

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

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

#### 17. 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.

AmTactical Bond

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Financial assets</b>				
Investments	35,453,139	-	-	35,453,139
Deposits with licensed financial institutions	-	4,394,669	-	4,394,669
Interest receivable	75,565	-	-	75,565
Cash at banks	-	149,305	-	149,305
<b>Total financial assets</b>	<b>35,528,704</b>	<b>4,543,974</b>	<b>-</b>	<b>40,072,678</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	535,821	535,821
Amount due to Trustee	-	-	2,080	2,080
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>537,901</b>	<b>537,901</b>
<b>2023</b>				
<b>Financial assets</b>				
Investments	40,916,351	-	-	40,916,351
Amount due from Manager	-	4,675	-	4,675
Deposit with licensed financial institution	-	10,018,547	-	10,018,547
Interest receivable	18,258	-	-	18,258
Cash at banks	-	155,250	-	155,250
<b>Total financial assets</b>	<b>40,934,609</b>	<b>10,178,472</b>	<b>-</b>	<b>51,113,081</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	98,000	98,000
Amount due to Trustee	-	-	2,610	2,610
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>100,610</b>	<b>100,610</b>

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

#### 17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Income, expenses, gains and losses	
	2024 RM	2023 RM
Net losses from financial assets at FVTPL	(374,270)	(4,118,455)
Income, of which derived from:		
– Interest income from financial assets at FVTPL	2,057,654	2,132,790
– Interest income from financial assets at amortised cost	359,923	130,250
– Other net realised gain/(loss) on foreign currency exchange	19,446	(227,487)
– Other net unrealised gain on foreign currency exchange	175	-
	175	-

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

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Financial assets at FVTPL				
– Investments	-	35,453,139	-	35,453,139
<b>2023</b>				
Financial assets at FVTPL				
– Investments	-	40,916,351	-	40,916,351



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

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

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

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

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

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

**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 and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the 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 Fund's market risk is affected primarily by the following risks:

**(i) Interest rate risk**

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

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

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

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

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

**(i) Interest rate risk (cont'd.)**

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

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2024 RM	2023 RM
+100bps	(2,011,473)	(2,048,676)
-100bps	1,951,992	2,400,959

**(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.

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 RM	2023 RM
-5.00%	(676,946)	(944,869)
+5.00%	676,946	944,869

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

Financial assets denominated in	2024		2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>Euro Dollar</b>				
Cash at bank	278	-*	54	-*

## AmTactical Bond

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

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

##### (ii) 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.)

Financial assets denominated in	2024		2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>United States Dollar</b>				
Investments	12,806,154	32.27	14,025,680	27.54
Deposits with licensed financial institutions	609,016	1.54	4,800,690	9.42
Cash at bank	47,911	0.12	52,702	0.10
	<u>13,463,081</u>	<u>33.93</u>	<u>18,879,072</u>	<u>37.06</u>

\* represents less than 0.01%.

##### (b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund invests in fixed income and money market instruments. As such the Fund would be exposed to the risk of bond issuers and financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

##### (i) Credit quality of financial assets

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 August 2024 and 31 August 2023:

Credit rating	RM	As a % of	As a % of
		debt securities	NAV
<b>2024</b>			
AAA	2,367,688	6.68	5.97
AA	20,153,999	56.85	50.79
A	2,102,239	5.93	5.30
BBB	9,765,959	27.54	24.61
NR	1,063,254	3.00	2.68
	<u>35,453,139</u>	<u>100.00</u>	<u>89.35</u>

AmTactical Bond

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

(b) Credit risk (cont'd.)

(i) Credit quality of financial assets (cont'd.)

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 August 2024 and 31 August 2023: (cont'd.)

Credit rating	RM	As a % of debt securities	As a % of NAV
<b>2023</b>			
AAA	1,887,372	4.61	3.71
AA	18,102,635	44.25	35.53
A	4,554,254	11.13	8.94
BBB	7,196,861	17.59	14.13
NR	9,175,229	22.42	18.01
	<u>40,916,351</u>	<u>100.00</u>	<u>80.32</u>

For deposits with licensed financial institutions, the Fund only makes placements with licensed financial institutions with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 31 August 2024 and 31 August 2023:

Credit rating	RM	As a % of deposits	As a % of NAV
<b>2024</b>			
P1/MARC-1	<u>4,394,669</u>	<u>100.00</u>	<u>11.08</u>
<b>2023</b>			
P1/MARC-1	<u>10,018,547</u>	<u>100.00</u>	<u>19.67</u>

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

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

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

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

**(ii) Credit risk concentration**

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 August 2024 and 31 August 2023:

<b>Sector</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2024</b>			
Banking	4,615,654	13.02	11.63
Consumer discretionary	6,232,776	17.58	15.71
Data processing	1,339,777	3.78	3.38
Energy and utilities	10,497,833	29.61	26.46
Financial services	8,361,718	23.58	21.07
Public administration	1,063,254	3.00	2.68
Real estate	3,342,127	9.43	8.42
	<u>35,453,139</u>	<u>100.00</u>	<u>89.35</u>
<b>2023</b>			
Consumer discretionary	4,670,678	11.42	9.17
Data processing	5,151,047	12.59	10.12
Energy and utilities	13,513,318	33.03	26.53
Financial services	8,874,633	21.69	17.42
Public administration	5,407,293	13.21	10.61
Real estate	2,299,107	5.62	4.51
Transportation and storage	1,000,275	2.44	1.96
	<u>40,916,351</u>	<u>100.00</u>	<u>80.32</u>

**(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 assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of 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.

**AmTactical Bond**

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

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

**(c) Liquidity risk (cont'd.)**

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

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2024</b>						
<b>Financial assets</b>						
Investments	1,866,261	4,810,452	7,517,197	9,347,678	3,071,445	20,362,061
Deposits with licensed financial institutions	4,395,171	-	-	-	-	-
Interest receivable	75,565	-	-	-	-	-
Cash at banks	149,305	-	-	-	-	-
<b>Total financial assets</b>	<b>6,486,302</b>	<b>4,810,452</b>	<b>7,517,197</b>	<b>9,347,678</b>	<b>3,071,445</b>	<b>20,362,061</b>
<b>Financial liabilities</b>						
Amount due to Manager	535,821	-	-	-	-	-
Amount due to Trustee	2,080	-	-	-	-	-
<b>Total financial liabilities</b>	<b>537,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**AmTactical Bond**

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

**(c) Liquidity risk (cont'd.)**

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund: (cont'd.)

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1</b>	<b>1 – 2</b>	<b>2 – 3</b>	<b>3 – 4</b>	<b>4 – 5</b>	<b>More than</b>
	<b>year</b>	<b>years</b>	<b>years</b>	<b>years</b>	<b>years</b>	<b>5 years</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2023</b>						
<b>Financial assets</b>						
Investments	1,940,360	8,909,432	2,697,777	7,730,421	10,624,071	22,865,718
Amount due from Manager	4,675	-	-	-	-	-
Deposit with a licensed financial institution	10,018,547	-	-	-	-	-
Interest receivable	18,258	-	-	-	-	-
Cash at banks	155,250	-	-	-	-	-
<b>Total financial assets</b>	<b>12,137,090</b>	<b>8,909,432</b>	<b>2,697,777</b>	<b>7,730,421</b>	<b>10,624,071</b>	<b>22,865,718</b>
<b>Financial liabilities</b>						
Amount due to Manager	98,000	-	-	-	-	-
Amount due to Trustee	2,610	-	-	-	-	-
<b>Total financial liabilities</b>	<b>100,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

**(d) Single issuer risk**

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

**(e) Regulatory risk**

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

**(f) Country risk**

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

**(g) Management risk**

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

**(h) Non-compliance risk**

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

**19. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its Prospectus;
- (b) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- (c) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.



## **AmTactical Bond**

### **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 AmTactical Bond (the “Fund”) as at 31 August 2024 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

18 October 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMTACTICAL BOND (“Fund”)**

We have acted as Trustee of the Fund for the financial year ended 31 August 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 Unit Trust Funds;
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.

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

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
18 October 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.)*

