

Quarterly Report for

# Income and Growth Fund

31 July 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
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### **Board of Directors**

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

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

HSBC (Malaysia) Trustee Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of Income and Growth Fund ("Fund") for the financial period from 1 May 2024 to 31 July 2024.

### Salient Information of the Fund

<b>Name</b>	Income and Growth Fund ("Fund")
<b>Category/ Type</b>	Wholesale (Feeder Fund) / Income and Growth
<b>Name of Target Fund</b>	Allianz Income and Growth
<b>Objective</b>	<p>The Fund seeks to provide regular income* and to a lesser extent long-term** capital appreciation by investing in the Target Fund which will be investing in equities, debt securities and convertible securities.</p> <p><i>Note:</i> * <i>Income distribution (if any) is paid out on a quarterly basis.</i> ** <i>Long term refers to an investment horizon of at least five (5) years.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	The Fund was established on 20 January 2020 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>S&amp;P 500 Index (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The Target Fund is not benchmarked externally as its primary objective is to meet its targeted monthly distribution, while providing capital appreciation. For comparative purposes only as it relates to upside and downside equity market capture, the S&amp;P 500 Index can be referenced. The risk profile of the Fund is not the same as the risk profile of the reference benchmark.</i></p> <p><i>The S&amp;P 500 Index (the "Index") is a product of S&amp;P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by AmFunds Management Berhad. S&amp;P® is a registered trademark of S&amp;P Global ("S&amp;P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); Income and Growth Fund are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&amp;P, any of their respective affiliates (collectively, "S&amp;P Dow Jones Indices"). S&amp;P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the Income and Growth Fund or any member of the public regarding the advisability of investing in securities generally or in Income and Growth Fund particularly or the ability of the S&amp;P 500 Index to track general market performance. S&amp;P Dow Jones Indices' only relationship to AmFunds Management Berhad with respect to the S&amp;P 500 Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&amp;P Dow Jones Indices and/or its licensors. The S&amp;P 500 Index is determined, composed and calculated by S&amp;P Dow Jones Indices without regard to AmFunds Management Berhad or the Income and Growth Fund. S&amp;P Dow Jones Indices have no obligation to take the needs of AmFunds Management Berhad or the owners of</i></p>

*Income and Growth Fund into consideration in determining, composing or calculating the S&P 500 Index. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of Income and Growth Fund or the timing of the issuance or sale of Income and Growth Fund or in the determination or calculation of the equation by which Income and Growth Fund is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Income and Growth Fund. There is no assurance that investment products based on the S&P 500 Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.*

**Income Distribution Policy**

**RM-Hedged Class**

Distribution, if any, will be made on a quarterly basis and can be in the form of cash (by telegraphic transfer) or unit (by reinvestment into units of the Class).

**Other Classes**

Distribution, if any, will be made on a quarterly basis and will be reinvested into the respective Classes. However, the manager may at its sole discretion allow distribution in the form of cash.

At the Manager's discretion, the Fund may distribute from its gain, income and capital. The rationale for distribution out of capital is to allow the Fund the ability to (i) distribute income on a regular basis in accordance with the distribution policy of the Fund or (ii) increase the amount of distributable income to the unit holders, after taking into consideration the risk of distributing out of capital.

Distribution out of the Fund's capital has the effect of lowering the NAV of the Fund, may reduce part of the unit holders' original investment and may also result in reduced future returns to unit holders. When a substantial amount of the original investment is being returned to the unit holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

*Note:*

*Income distribution amount (if any) for each of the Classes could be different subject to the solo discretion of the Manager.*

*If income distribution earned does not exceed the amount 500 in the currency of the respective Class(es), it will be automatically reinvested.*

**Breakdown of Unit Holdings by Size**

For the financial period under review, the size of the Fund for AUD-Hedged Class stood at 1,396,818 units, for RM-Hedged Class stood at 25,505,023 units, for SGD-Hedged Class stood at 689,095 units and for USD Class stood at 963,199 units.

**AUD-Hedged Class**

Size of holding	As at 31 July 2024		As at 30 April 2024	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	-	-	-	-
5,001-10,000	-	-	-	-
10,001-50,000	26,040	2	26,040	2
50,001-500,000	-	-	111,419	1
500,001 and above	1,370,778	1	1,742,190	1

RM-Hedged Class

Size of holding	As at 31 July 2024		As at 30 April 2024	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	-	-	-	-
5,001-10,000	-	-	-	-
10,001-50,000	50,406	2	37,567	2
50,001-500,000	193,381	2	88,380	1
500,001 and above	25,261,236	3	23,254,507	4

SGD-Hedged Class

Size of holding	As at 31 July 2024		As at 30 April 2024	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	-	-	-	-
5,001-10,000	-	-	-	-
10,001-50,000	52,251	3	54,262	3
50,001-500,000	68,434	1	68,434	1
500,001 and above	568,410	1	597,507	1

USD Class

Size of holding	As at 31 July 2024		As at 30 April 2024	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	-	-	-	-
5,001-10,000	8,380	1	8,203	1
10,001-50,000	-	-	-	-
50,001-500,000	101,961	1	99,816	1
500,001 and above	852,858	1	907,109	1

**Fund Performance Data****Portfolio Composition**

Details of portfolio composition of the Fund as at 31 July 2024 and for the past three financial years are as follows:

	As at 31.07.2024 %	As at 30 April		
		2024 %	2023 %	2022 %
Foreign collective investment scheme	88.28	95.75	96.93	97.34
Forward contract	1.48	-0.86	-1.01	-2.70
Money market deposits and cash equivalents	10.24	5.11	4.08	5.36
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

**Performance Details**

Performance details of the Fund for the financial period ended 31 July 2024 and three financial years ended 30 April are as follows:

	<b>FPE 31.07.2024</b>	<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
<b>Net asset value (USD)</b>				
- AUD-Hedged Class	948,171	1,237,817	1,485,094	2,293,693
- RM-Hedged Class	6,252,446	5,403,475	4,415,855	5,495,566
- SGD-Hedged Class	553,896	554,812	740,035	1,912,410
- USD Class	1,073,820	1,124,601	1,584,633	2,062,305
<b>Units in circulation</b>				
- AUD-Hedged Class	1,396,818	1,879,649	2,453,353	3,272,744
- RM-Hedged Class	25,505,023	23,380,454	19,564,234	22,253,741
- SGD-Hedged Class	689,095	720,203	1,040,648	2,624,958
- USD Class	963,199	1,015,128	1,614,745	1,999,680
<b>Net asset value per unit in USD</b>				
- AUD-Hedged Class	0.6788	0.6585	0.6053	0.7008
- RM-Hedged Class	0.2451	0.2311	0.2257	0.2470
- SGD-Hedged Class	0.8038	0.7704	0.7111	0.7285
- USD Class	1.1148	1.1078	0.9814	1.0313
<b>Net asset value per unit in respective currencies</b>				
- AUD-Hedged Class (AUD)	1.0395	1.0144	0.9161	0.9853
- RM-Hedged Class (RM)	1.1257	1.1024	1.0062	1.0747
- SGD-Hedged Class (SGD)	1.0750	1.0505	0.9484	1.0058
- USD Class (USD)	1.1148	1.1078	0.9814	1.0313
<b>Highest net asset value per unit in respective currencies</b>				
- AUD-Hedged Class (AUD)	1.0571	1.0349	0.9753	1.1713
- RM-Hedged Class (RM)	1.1449	1.1260	1.0680	1.2405
- SGD-Hedged Class (SGD)	1.0933	1.0720	0.9989	1.1725
- USD Class (USD)	1.1346	1.1284	1.0259	1.1995
<b>Lowest net asset value per unit in respective currencies</b>				
- AUD-Hedged Class (AUD)	1.0075	0.9030	0.8529	0.9777
- RM-Hedged Class (RM)	1.0948	0.9873	0.9366	1.0663
- SGD-Hedged Class (SGD)	1.0433	0.9366	0.8763	0.9980
- USD Class (USD)	1.1004	0.9781	0.9015	1.0233
<b>Benchmark performance (%)</b>				
- AUD-Hedged Class	9.31	25.12	9.91	9.08
- RM-Hedged Class	5.93	31.17	5.70	6.19
- SGD-Hedged Class	7.94	25.46	-0.94	4.12
- USD Class	10.05	22.66	2.66	0.21
<b>Total return (%)<sup>(1)</sup></b>				
- AUD-Hedged Class	2.47	10.80	-7.08	-7.76
- RM-Hedged Class	2.11	9.64	-6.44	-5.74
- SGD-Hedged Class	2.33	10.84	-5.77	-6.81
- USD Class	2.79	12.97	-4.92	-6.80
<b>Capital growth (%)</b>				
- AUD-Hedged Class	2.47	10.80	-7.08	-10.63
- RM-Hedged Class	2.11	9.64	-6.44	-7.23
- SGD-Hedged Class	2.33	10.84	-5.77	-9.61

	FPE 31.07.2024	FYE 2024	FYE 2023	FYE 2022
- USD Class	0.63	12.97	-4.92	-8.79
Income distribution (%)				
- AUD-Hedged Class	-	-	-	2.87
- RM-Hedged Class	-	-	-	1.49
- SGD-Hedged Class	-	-	-	2.80
- USD Class	2.16	-	-	1.99
Gross distributions per unit in respective currencies				
- AUD-Hedged Class (AUD)	-	-	-	3.1500 cent
- RM-Hedged Class (RM)	-	-	-	1.7200 sen
- SGD-Hedged Class (SGD)	-	-	-	3.1100 cent
- USD Class (USD)	2.3927 cent	-	-	2.2500 cent
Net distributions per unit in respective currencies				
- AUD-Hedged Class (AUD)	-	-	-	3.1500 cent
- RM-Hedged Class (RM)	-	-	-	1.7200 sen
- SGD-Hedged Class (SGD)	-	-	-	3.1100 cent
- USD Class (USD)	2.3927 cent	-	-	2.2500 cent
Total expense ratio (%) <sup>(2)</sup>	0.19	0.69	0.68	0.70
Portfolio turnover ratio (times) <sup>(3)</sup>	0.20	0.24	0.23	0.69

**Note:**

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

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

	Income and Growth Fund <sup>(a)</sup> %	S&P 500 Index <sup>(b)</sup> %
One year		
- AUD-Hedged Class	6.32	25.78
- RM-Hedged Class	5.07	24.45
- SGD-Hedged Class	5.98	23.02
- USD Class	8.10	22.15
Three years		
- AUD-Hedged Class	-1.79	14.00
- RM-Hedged Class	-1.47	12.75
- SGD-Hedged Class	-1.09	9.17
- USD Class	0.02	9.62
Since launch (20 January 2020)		
- AUD-Hedged Class	2.09	14.96
- RM-Hedged Class	3.40	16.82



	Income and Growth Fund <sup>(a)</sup> %	S&P 500 Index <sup>(b)</sup> %
- SGD-Hedged Class	2.81	13.48
- USD Class	3.36	13.65

### Annual Total Return

Financial Years/Period Ended (30 April)	Income and Growth Fund <sup>(a)</sup> %	S&P 500 Index <sup>(b)</sup> %
2024		
- AUD-Hedged Class	10.80	25.12
- RM-Hedged Class	9.64	31.17
- SGD-Hedged Class	10.84	25.46
- USD Class	12.97	22.66
2023		
- AUD-Hedged Class	-7.08	9.91
- RM-Hedged Class	-6.44	5.70
- SGD-Hedged Class	-5.77	-0.94
- USD Class	-4.92	2.66
2022		
- AUD-Hedged Class	-7.76	9.08
- RM-Hedged Class	-5.74	6.19
- SGD-Hedged Class	-6.81	4.12
- USD Class	-6.80	0.21
2021 <sup>(c)</sup>		
- AUD-Hedged Class	12.82	14.53
- RM-Hedged Class	17.82	29.46
- SGD-Hedged Class	13.80	26.75
- USD Class	12.85	28.38

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

(b) S&P 500 Index. (Available at [www.aminvest.com](http://www.aminvest.com))

(c) Total actual return for the financial period from 20 January 2020 (date of launch) to 30 April 2021.

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

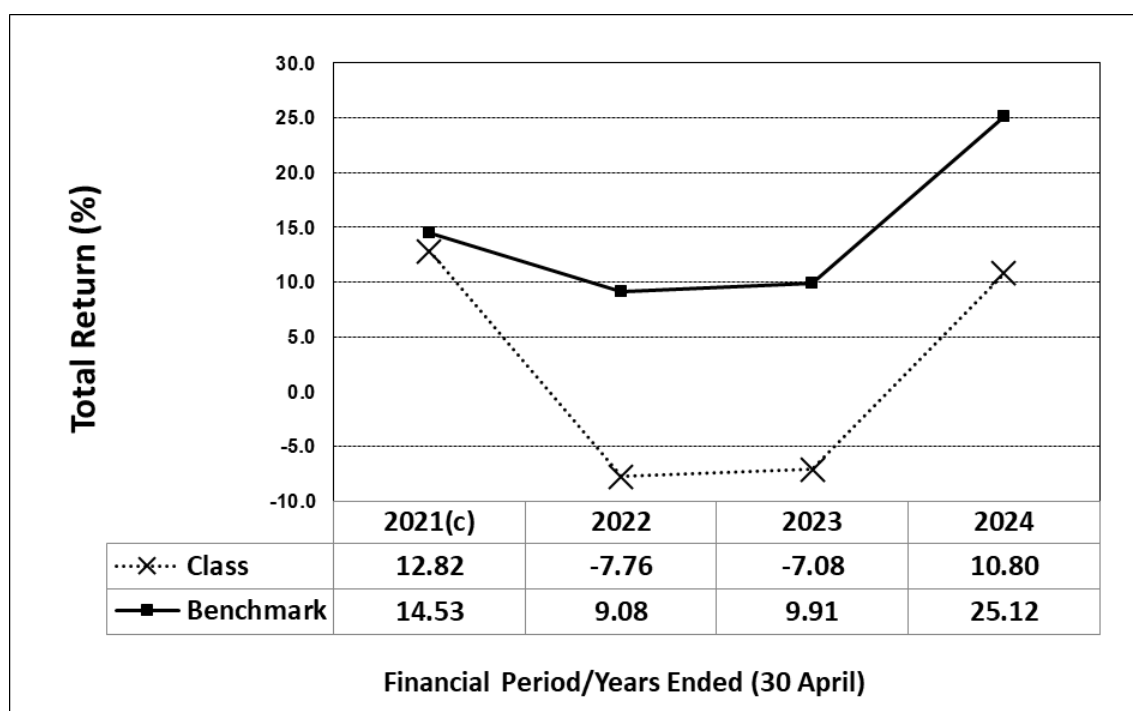
#### AUD-Hedged Class

For the financial period under review, the Fund registered a return of 2.47% which is entirely capital growth in nature.

Thus, the Fund's return of 2.47% has underperformed the benchmark's return of 9.31% by 6.84%.

As compared with the financial year ended 30 April 2024, the net asset value ("NAV") per unit of the Fund increased by 2.47% from AUD1.0144 to AUD1.0395, while units in circulation decreased by 25.69% from 1,879,649 units to 1,396,818 units.

The following line chart shows comparison between the annual performances of Income and Growth Fund (AUD-Hedged Class) and its benchmark, S&P 500 Index, for the financial period/years ended 30 April.



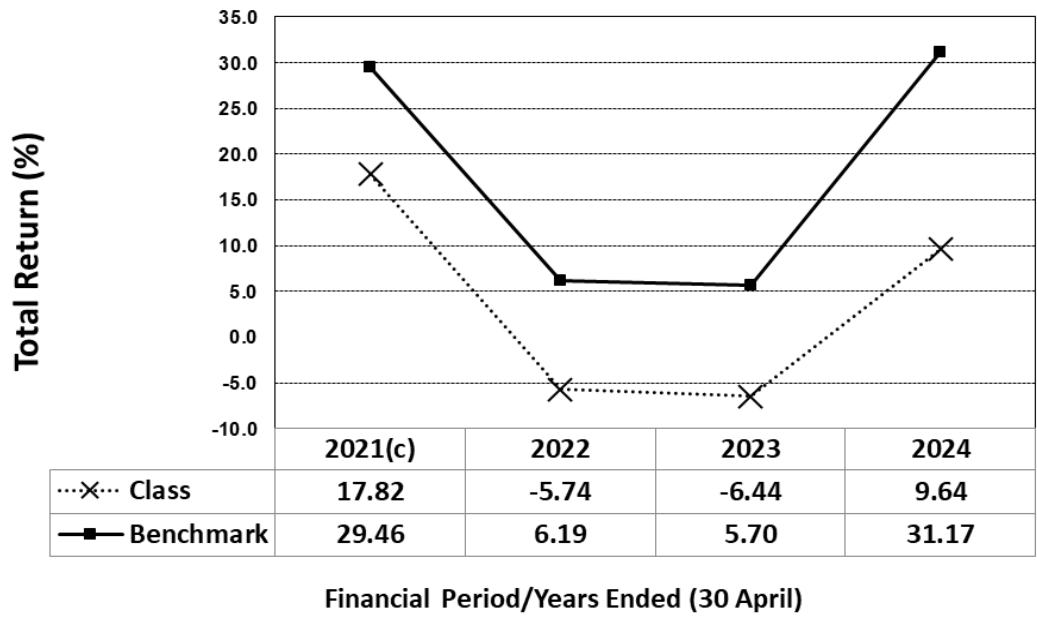
#### RM-Hedged Class

For the financial period under review, the Fund registered a return of 2.11% which is entirely capital growth in nature.

Thus, the Fund's return of 2.11% has underperformed the benchmark's return of 5.93% by 3.82%.

As compared with the financial year ended 30 April 2024, the net asset value ("NAV") per unit of the Fund increased by 2.11% from RM1.1024 to RM1.1257, while units in circulation increased by 9.09% from 23,380,454 units to 25,505,023 units.

The following line chart shows comparison between the annual performances of Income and Growth Fund (RM-Hedged Class) and its benchmark, S&P 500 Index, for the financial period/years ended 30 April.



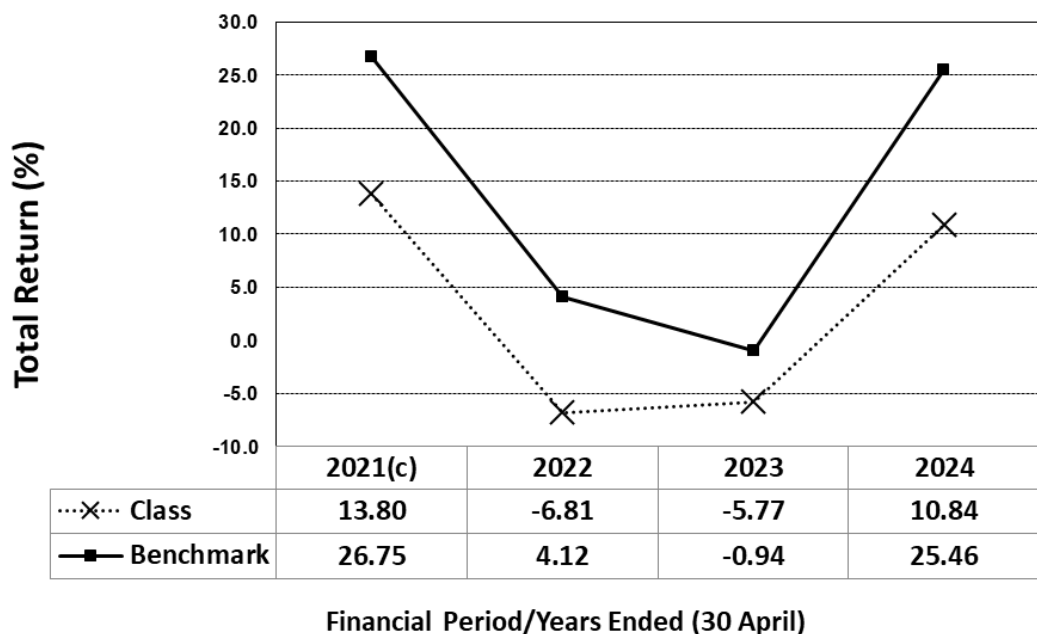
SGD-Hedged Class

For the financial period under review, the Fund registered a return of 2.33% which is entirely capital growth in nature.

Thus, the Fund’s return of 2.33% has underperformed the benchmark’s return of 7.94% by 5.61%.

As compared with the financial year ended 30 April 2024, the net asset value (“NAV”) per unit of the Fund increased by 2.33% from SGD1.0505 to SGD1.0750, while units in circulation decreased by 4.32% from 720,203 units to 689,095 units.

The following line chart shows comparison between the annual performances of Income and Growth Fund (SGD-Hedged Class) and its benchmark, S&P 500 Index, for the financial period/years ended 30 April.



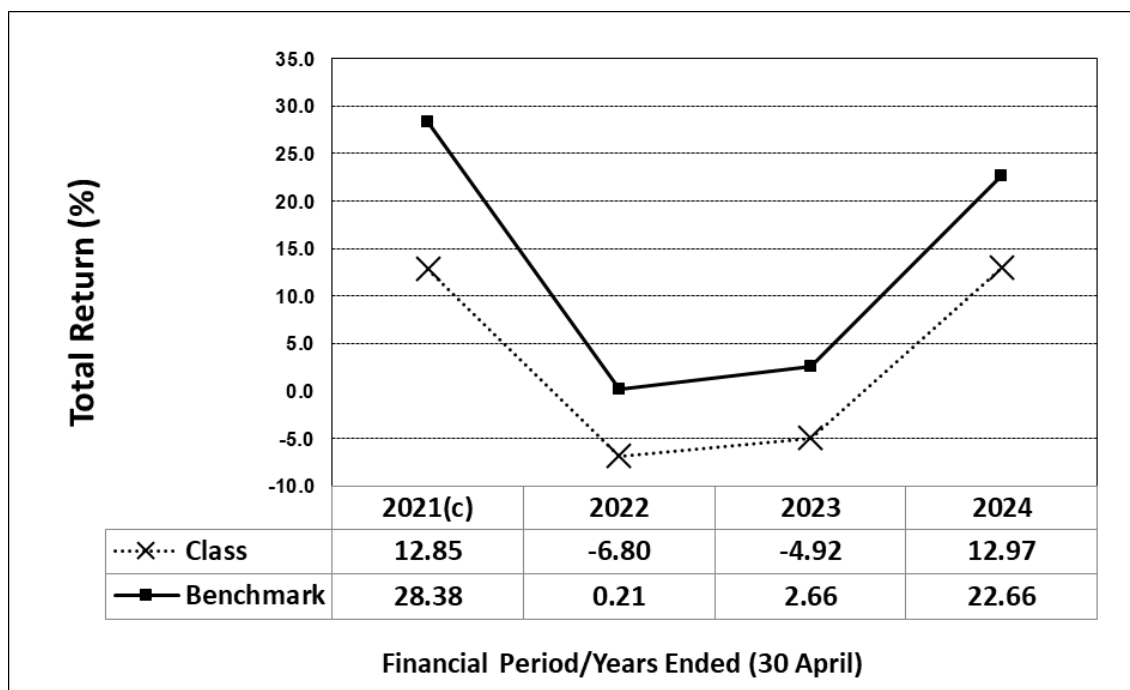
USD Class

For the financial period under review, the Fund registered a return of 2.79% comprising of 0.63% capital growth and 2.16% income distribution.

Thus, the Fund's return of 2.79% has underperformed the benchmark's return of 10.05% by 7.26%.

As compared with the financial year ended 30 April 2024, the net asset value ("NAV") per unit of the Fund increased by 0.63% from USD1.1078 to USD1.1148, while units in circulation decreased by 5.12% from 1,015,128 units to 963,199 units.

The following line chart shows comparison between the annual performances of Income and Growth Fund (USD Class) and its benchmark, S&P 500 Index, for the financial period/years ended 30 April.



**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 – Allianz Income and Growth (“the Target Fund”)

For the period, the Allianz Income & Growth AM USD returned 3.36%<sup>1</sup>. For comparison purposes, the S&P 500 index returned 10.05%<sup>2</sup>. The ICE BofA All US Convertibles Index and the ICE BofA US High Yield Index returned 5.38% and 4.11% respectively<sup>3</sup>.

The Target Fund was positively impacted by strength across risk assets. Top contributors were primarily composed of technology companies capitalizing on secular trends around artificial intelligence and cloud migration, including Microsoft, Alphabet, and Amazon, as well as several semiconductor companies led by Nvidia. Additionally, Apple gained after unveiling new artificial intelligence capabilities. A specialty ecommerce company gained after reporting above consensus top- and bottom-line results.

Top detractors included a medical device manufacturer sold off on declining procedure volumes, competitive concerns pressured a pharmaceutical company, and a global

outage weighed on a cybersecurity position. The other detractors in the period were a global payments company and an enterprise software provider, both declining on fear of slowing growth.

*Source: Allianz Global Investors unless otherwise stated.*

*Target Fund: Allianz Income and Growth, Class AM USD*

<sup>1</sup>*Fund performance is calculated in USD with net income and dividends reinvested.*

*Data as at 31 July 2024*

<sup>2</sup>*Morningstar, USD terms, 31 July 2024*

<sup>3</sup>*ICE Data Services, 31 July 2024*

## Strategies and Policies Employed

### Strategies and Policies employed by Target Fund

The Income and Growth strategy takes a multi-asset approach to delivering higher income and capital growth at lower levels of volatility by investing in large-cap equities, convertible bonds, high and high yield bonds. The strategy aims to provide a steady income stream with increased potential upside and less downside risk. The Strategy also supplements its income stream with a covered call strategy. As a result, the Income and Growth strategy aims to capture multiple sources of income while participating in the upside potential of equities, with potentially less volatility than a pure stock investment.

The Income and Growth investment team applies a forward-looking philosophy and employs a disciplined, fundamental approach which facilitates the early identification of corporate bond issuers demonstrating improving fundamental characteristics. The companies/issues selected for the portfolio exceed minimum credit statistics and exhibit the highest visibility of future expected operating performance. Macro factors are assessed at the individual issuer level.

The final investment implementation occurs after a comparative analysis is conducted between an issuer's high yield bond, convertible security or equity with covered call. The investment team then selects which investment would provide the most optimal total return, depending on the current market environment.

*Source: Allianz Global Investors unless otherwise stated*

### Strategies and Policies of the Fund

For the financial period under review, the Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund's NAV in the Target Fund.

## Portfolio Structure

The table below is the asset allocation of the Fund as at 31 July 2024 and 30 April 2024.

	As at 31.07.2024 %	As at 30.04.2024 %	Changes %
Foreign collective investment scheme	88.28	95.75	-7.47
Forward contract	1.48	-0.86	2.34
Money market deposits and cash equivalents	10.24	5.11	5.13
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

For the financial period under review, the Fund has invested 88.28% of its NAV in the foreign collective investment scheme, 1.48% in forward contract and the balance of 10.24% in money market deposits and cash equivalents.

<b>Cross Trades</b>	There were no cross trades undertaken during the financial period under review.								
<b>Distribution/ Unit Splits</b>	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <p><u>USD Class</u></p> <table border="1"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit USD (cent)</th> <th>NAV per unit Cum-Distribution (USD)</th> <th>NAV per unit Ex-Distribution (USD)</th> </tr> </thead> <tbody> <tr> <td>18-Jun-24</td> <td>2.3927</td> <td>1.1372</td> <td>1.1133</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit USD (cent)	NAV per unit Cum-Distribution (USD)	NAV per unit Ex-Distribution (USD)	18-Jun-24	2.3927	1.1372	1.1133
Date of distribution	Distribution per unit USD (cent)	NAV per unit Cum-Distribution (USD)	NAV per unit Ex-Distribution (USD)						
18-Jun-24	2.3927	1.1372	1.1133						
<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 period under review.								
<b>Rebates and Soft Commission</b>	During the financial period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.								
<b>Market Review</b>	<p>During the reporting quarter, risk assets advanced with the mega-cap AI-themed companies leading in equities, while high yield and convertible markets posted moderate returns. First-quarter earnings results were better-than-expected, with most companies beating top- and bottom-line forecasts, which helped to further boost full-year 2024 and 2025 earnings growth estimates. And the second quarter earnings season also got off to a solid start with most companies exceeding top- and bottom-line estimates and year-over-year earnings growth approaching double digits. Cost controls, operating efficiencies, increasing capital expenditures and steady consumption factored into better-than-expected results. Corporate management outlooks varied, however.</p> <p>Economic reports were also mixed. Second quarter Gross Domestic Product (GDP) growth, retail sales, and monthly payrolls surpassed forecasts, and inflation gauges continued to ease. Conversely, manufacturing remained in contractionary territory, home sales missed estimates, and weekly jobless claims moved higher. Against this backdrop, the Federal Reserve kept interest rates unchanged at the July Federal Open Market Committee (FOMC) meeting, but Chair Powell noted if economic data continue its current path, a rate cut will be imminent.</p> <p><i>Source: Allianz Global Investors unless otherwise stated</i></p>								
<b>Market Outlook</b>	<p>2023's economic momentum should carry over into 2024. Economic tailwinds include low unemployment, steady consumption, government spending, waning inflation, a stabilizing manufacturing sector, an end to the rate hike cycle, and accelerating earnings. Economic headwinds include continued restrictive monetary policy and quantitative tightening, less savings, and United States (US)/international political risks, among others.</p> <p>US equity valuations reside near long-term averages. Visibility around 2024 and 2025 earnings, US dollar and Treasury market stabilization, and an end to the rate hike cycle could be positive developments for stocks. Any equity market volatility will present opportunities for active managers to take advantage of better prices in attractive investments.</p>								

	<p>US convertible securities should continue to provide benefits to investors, including an attractive asymmetric return profile and potentially lower volatility relative to the equity market. The shift in the universe’s composition exiting 2022 remains largely unchanged heading into 2024. Many securities offer attractive current yields and exhibit defensive characteristics given lower deltas and closer proximities to bond floors. This dynamic may allow for greater downside protection if equity volatility rises. If the prices of underlying stocks advance, convertible securities could be positioned to participate in the upside. Lastly, higher debt financing costs should draw issuers to the convertible market for coupon savings. As a result, new issuance is expected to increase materially year over year.</p> <p>The US high-yield market, yielding nearly 8%, offers the potential for equity-like returns but with less volatility. Credit fundamentals are stable, near-term refinancing obligations remain low, and management teams continue to prioritize debt reduction. Given these factors, defaults should remain well below historical cycle peaks. The market’s attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Notably, the high-yield market has historically delivered two consecutive years of positive returns in six of the seven cases, and forward 12 and 24-month return projections based on the current market yield have been consistent with mid to high single digits.</p> <p>A covered call options strategy can be utilized to generate premium income. In periods of elevated or rising equity volatility, premiums collected may translate into more attractive annualized yields.</p> <p>Collectively, these three asset classes can provide a steady source of income and a compelling “participate and protect” return profile.</p> <p>The Income and Growth strategy is a client solution designed to provide high monthly income, the potential for capital appreciation, and less volatility than an equity-only fund.</p> <p><i>Source: Allianz Global Investors unless otherwise stated</i></p>
<p><b>Additional Information</b></p>	<p>The following information was updated:</p> <p>The Third Supplementary Information Memorandum in respect of the Fund dated and effective 24 July 2024 has been lodged with Securities Commission Malaysia and is issued to inform sophisticated investors of the following, but is not limited to:</p> <ul style="list-style-type: none"> <li>• the update made to the disclosure in “Income Distribution”;</li> <li>• the update made to the disclosure in “Transaction Information”; and</li> <li>• the update made to the disclosure in “Risk Factors”.</li> </ul>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 September 2024

## Income and Growth Fund

### STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	31.07.2024 (unaudited) USD	30.04.2024 (audited) USD
<b>ASSETS</b>		
Investment	7,793,626	7,967,353
Derivative assets	178,818	247
Amount due from Manager	32,342	166,054
Tax recoverable	10,179	10,179
Cash at banks	869,520	256,535
<b>TOTAL ASSETS</b>	<u>8,884,485</u>	<u>8,400,368</u>
<b>LIABILITIES</b>		
Derivative liabilities	48,029	71,622
Amount due to Manager	6,002	4,726
Amount due to Trustee	398	336
Sundry payables and accruals	1,723	2,979
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>	<u>56,152</u>	<u>79,663</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNIT HOLDERS</b>	<u>8,828,333</u>	<u>8,320,705</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:</b>		
Unit holders' contribution	10,515,732	10,443,199
Accumulated losses	(1,687,399)	(2,122,494)
	<u>8,828,333</u>	<u>8,320,705</u>
<b>NET ASSET VALUE</b>		
- AUD-Hedged Class	948,171	1,237,817
- RM-Hedged Class	6,252,446	5,403,475
- SGD-Hedged Class	553,896	554,812
- USD Class	1,073,820	1,124,601
	<u>8,828,333</u>	<u>8,320,705</u>
<b>UNITS IN CIRCULATION</b>		
- AUD-Hedged Class	1,396,818	1,879,649
- RM-Hedged Class	25,505,023	23,380,454
- SGD-Hedged Class	689,095	720,203
- USD Class	963,199	1,015,128



## Income and Growth Fund

### STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024 (CONT'D.)

	31.07.2024 (unaudited)	30.04.2024 (audited)
<b>NAV PER UNIT IN USD</b>		
- AUD-Hedged Class	0.6788	0.6585
- RM-Hedged Class	0.2451	0.2311
- SGD-Hedged Class	0.8038	0.7704
- USD Class	1.1148	1.1078
<b>NAV PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD-Hedged Class (AUD)	1.0395	1.0144
- RM-Hedged Class (RM)	1.1257	1.1024
- SGD-Hedged Class (SGD)	1.0750	1.0505
- USD Class (USD)	1.1148	1.1078

## Income and Growth Fund

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024

	01.05.2024 to 31.07.2024 USD	01.05.2023 to 31.07.2023 USD
<b>INVESTMENT INCOME</b>		
Distribution income	170,398	157,841
Interest income	353	63
Net gains from investment:		
– Financial assets at fair value through profit or loss ("FVTPL")	303,809	334,051
Other net realised gains on foreign currency exchange	100	2,390
Other net unrealised gain/(loss) on foreign currency exchange	459	(145)
	<u>475,119</u>	<u>494,200</u>
<b>EXPENDITURE</b>		
Manager's fee	(15,299)	(11,350)
Trustee's fee	(1,155)	(976)
Audit fee	(424)	(451)
Tax agent's fee	(175)	(186)
Other expenses	(409)	(242)
	<u>(17,462)</u>	<u>(13,205)</u>
<b>Net income before finance cost and taxation</b>	457,657	480,995
Finance cost – distribution to unit holders		
– USD Class	(22,562)	-
	<u>435,095</u>	<u>480,995</u>
<b>Net income before taxation</b>	435,095	480,995
<b>Taxation</b>	-	-
<b>Net income after taxation, representing total comprehensive income for the financial period</b>	<u>435,095</u>	<u>480,995</u>
Total comprehensive income comprises the following:		
Realised losses	(110,410)	(456,987)
Unrealised gains	545,505	937,982
	<u>435,095</u>	<u>480,995</u>
<b>Distribution for the financial period</b>		
Net distribution	22,562	-
Gross distribution per unit in respective currencies		
– USD Class (USD)	2.3927 cent	-
Net distribution per unit in respective currencies		
– USD Class (USD)	2.3927 cent	-

## Income and Growth Fund

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024

	Unit holders' contribution USD	Accumulated losses USD	Total USD
At 1 May 2024	10,443,199	(2,122,494)	8,320,705
Total comprehensive income for the financial period	-	435,095	435,095
Creation of units			
– RM-Hedged Class	2,345,402	-	2,345,402
Reinvestment of distribution			
– USD Class	22,562	-	22,562
Cancellation of units			
– AUD-Hedged Class	(334,278)	-	(334,278)
– RM-Hedged Class	(1,855,526)	-	(1,855,526)
– SGD-Hedged Class	(24,357)	-	(24,357)
– USD Class	(81,270)	-	(81,270)
Balance at 31 July 2024	<u>10,515,732</u>	<u>(1,687,399)</u>	<u>8,828,333</u>
At 1 May 2023	10,764,328	(2,538,711)	8,225,617
Total comprehensive income for the financial period	-	480,995	480,995
Creation of units			
– RM-Hedged Class	138,274	-	138,274
– SGD-Hedged Class	744	-	744
– USD Class	8,394	-	8,394
Cancellation of units			
– AUD-Hedged Class	(164,878)	-	(164,878)
– RM-Hedged Class	(689,697)	-	(689,697)
– SGD-Hedged Class	(123,022)	-	(123,022)
– USD Class	(290,838)	-	(290,838)
Balance at 31 July 2023	<u>9,643,305</u>	<u>(2,057,716)</u>	<u>7,585,589</u>

## Income and Growth Fund

### STATEMENT OF CASH FLOWS *(Unaudited)*

FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 31 JULY 2024

	01.05.2024 to 31.07.2024 USD	01.05.2023 to 31.07.2023 USD
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investment	1,990,100	1,338,390
Purchases of investment	(1,720,398)	(157,841)
Net settlement from derivative contracts	5,769	(311,242)
Distributions received	170,398	157,841
Interest received	353	63
Manager's fee paid	(14,023)	(11,534)
Trustee's fee paid	(1,093)	(1,003)
Tax paid	-	(234)
Payments for other expenses	(2,118)	(242)
Net cash generated from operating and investing activities	<u>428,988</u>	<u>1,014,198</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	2,479,428	147,412
Payments for cancellation of units	(2,295,431)	(1,201,511)
Net cash generated from/(used in) financing activities	<u>183,997</u>	<u>(1,054,099)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	612,985	(39,901)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>256,535</u>	<u>246,704</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>869,520</u>	<u>206,803</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>869,520</u>	<u>206,803</u>

## DIRECTORY

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

