

Quarterly Report for

US-Canada Income and Growth

31 October 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

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CONTENTS

- 1** Manager's Report
- 8** Statement of Financial Position
- 9** Statement of Comprehensive Income
- 10** Statement of Changes in Equity
- 11** Statement of Cash Flows
- 12** Directory

MANAGER'S REPORT

Dear Unitholders,

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

Salient Information of the Fund

Name	US-Canada Income and Growth ("Fund")
Category/ Type	Wholesale (Feeder Fund) / Income and Growth
Name of Target Fund	Allianz Income and Growth
Objective	<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 securities, debt securities and convertible securities.</p> <p><i>Note:</i> * Income distribution (if any) is paid on a quarterly basis. ** Long term means the investment horizon should at least be five (5) years. Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
Duration	The Fund was established on 17 June 2014 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.
Performance Benchmark	<p>S&P 500 Index. (Available at www.aminvest.com)</p> <p><i>Note: The S&P 500 Index is only used as a reference for investment performance comparison purpose. The Fund is not managed against the S&P 500 Index. The risk profile of the Fund is not the same as the risk profile of the S&P 500 Index.</i></p> <p><i>The S&P 500 Index (the "Index") is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by AmFunds Management Berhad. S&P® is a registered trademark of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); US-Canada Income and Growth are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the US-Canada Income and Growth or any member of the public regarding the advisability of investing in securities generally or in US-Canada Income and Growth particularly or the ability of the S&P 500 Index to track general market performance. S&P Dow Jones Indices' only relationship to AmFunds Management Berhad with respect to the S&P 500 Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P 500 Index is determined, composed and calculated by S&P Dow Jones Indices without regard to AmFunds Management Berhad or the US-Canada Income and Growth. S&P Dow Jones Indices have no obligation to take the needs of AmFunds Management Berhad or</i></p>

the owners of US-Canada Income and Growth 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 US-Canada Income and Growth or the timing of the issuance or sale of US-Canada Income and Growth or in the determination or calculation of the equation by which US-Canada Income and Growth 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 US-Canada Income and Growth. 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

Subject to availability of income, distribution will be paid on a quarterly basis.

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.

Breakdown of Unit Holdings by Size

For the financial period under review, the size of the Fund stood at 39,562,674 units.

Size of holding	As at 31 October 2024		As at 31 July 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	32,798	2	32,632	2
50,001-500,000	895,773	3	552,207	2
500,001 and above	38,634,103	2	42,712,738	3

Fund Performance Data

Portfolio Composition

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

	As at 31.10.2024 %	As at 31 July		
		2024 %	2023 %	2022 %
Foreign Collective Investment Scheme	90.00	89.35	97.60	96.96
Money market deposits and cash equivalents	10.00	10.65	2.40	3.04
Total	100.00	100.00	100.00	100.00

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 October 2024 and three financial years ended 31 July are as follows:

	FPE 31.10.2024	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)	41,196,251	46,129,033	57,275,060	71,324,673
Units in circulation	39,562,674	43,297,577	56,380,431	74,629,548
Net asset value per unit (RM)	1.0413	1.0654	1.0159	0.9557
Highest net asset value per unit (RM)	1.0663	1.1044	1.0296	1.1446
Lowest net asset value per unit (RM)	1.0120	0.9600	0.8808	0.8801
Benchmark performance (%)	-1.14	24.45	14.46	0.56
Total return (%) ⁽¹⁾	-0.80	7.13	8.09	-11.21
- Capital growth (%)	-1.29	4.89	6.45	-15.22
- Income distribution (%)	0.49	2.24	1.64	4.01
Gross distribution (sen per unit)	0.5224	2.2749	2.1041	4.5000
Net distribution (sen per unit)	0.5224	2.2749	1.5700	4.5000
Total expense ratio (%) ⁽²⁾	0.19	0.68	0.67	0.67
Portfolio turnover ratio (times) ⁽³⁾	0.05	0.23	0.15	0.23

Note:

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

Average Total Return (as at 31 October 2024)

	US-Canada Income and Growth^(a) %	Benchmark^(b) %
One year	11.93	26.84
Three years	0.43	11.14
Five years	6.67	16.34
Ten years	7.24	16.20

Annual Total Return

Financial Years Ended (31 July)	US-Canada Income and Growth^(a) %	Benchmark^(b) %
2024	7.13	24.45
2023	8.09	14.46
2022	-11.21	0.56
2021	24.22	35.82
2020	10.23	15.19

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.
 (b) S&P 500 Index. (Available at www.aminvest.com)

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

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

Fund Performance

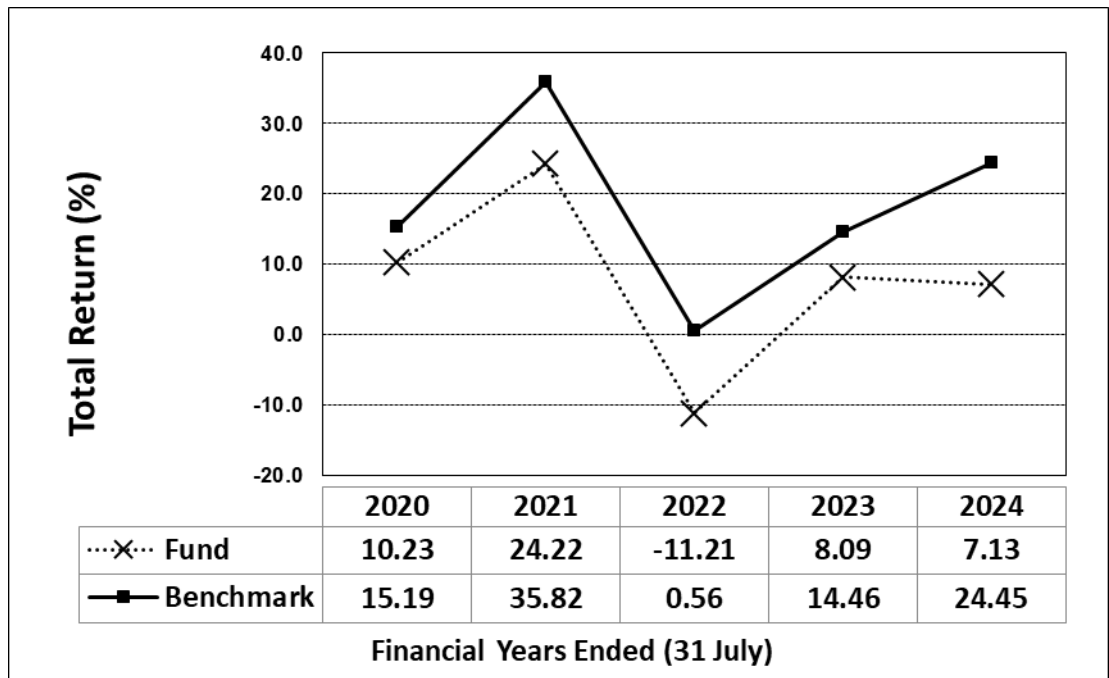
For the financial period under review, the Fund registered a negative return of 0.80%^(a) comprising of negative 1.29% capital and 0.49% income distribution.

Thus, the Fund's negative return of 0.80%^(a) has outperformed the benchmark's negative return 1.14% by 0.34%.

As compared with the financial year ended 31 July 2024, the net asset value ("NAV") per unit of the Fund decreased by 2.26% from RM1.0654 to RM1.0413, while units in circulation decreased by 8.63% from 43,297,577 units to 39,562,674 units.

(a) Fund return based on the published price (last business day).

The following line chart shows comparison between the annual performances of US-Canada Income and Growth and its benchmark for the financial years ended 31 July.



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 (H2-SGD) returned 3.16%¹. For comparison purposes, the S&P 500 index returned 3.66%². The ICE BofA All US Convertibles Index and the ICE BofA US High Yield Index returned 4.15% and 2.68% respectively³.

	<p>The Target Fund was positively impacted by strength across risk assets. Top contributors were led by several technology companies at the forefront of integrating and monetizing artificial intelligence, including NVIDIA and Meta. A software company with bitcoin exposure advanced alongside cryptocurrency. Other contributors include a property & casualty insurance provider rose on well-received asset sale headlines, and a medical device manufacturer moved higher in tandem with the broader industry.</p> <p>Top detractors during the period included Amazon and Microsoft, both of which experienced declines after reporting mixed results. A medical device manufacturer sold off on declining procedure volumes and several semiconductor holdings fell on muted guidance. Other detractors include a major bank declined after guiding interest income lower and expenses higher, an exploration and production company declined on acquisition headlines, and an enterprise software provider was lower on growth and pricing concerns.</p> <p><i>Source: Allianz Global Investors unless otherwise stated.</i> <i>Target Fund: Allianz Income and Growth, Class AM H2-SGD</i> ¹<i>Fund performance is calculated in USD with net income and dividends reinvested. Data as at 31 October 2024</i> ²<i>Morningstar, USD terms, 31 October 2024</i> ³<i>ICE Data Services, USD terms, 31 October 2024</i></p>
<p>Strategies and Policies Employed</p>	<p>Strategies and Policies employed by Target Fund</p> <p>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.</p> <p>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.</p> <p>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.</p> <p><i>Source: Allianz Global Investors unless otherwise stated.</i></p> <p>Strategies and Policies of the Fund</p> <p>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 Allianz Income and Growth at all times. This implies that this Fund has a passive strategy.</p>

Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 October 2024 and 31 July 2024.</p> <table border="1" data-bbox="352 219 1461 465"> <thead> <tr> <th></th> <th>As at 31.10.2024 %</th> <th>As at 31.07.2024 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Foreign Collective Investment Scheme</td> <td>90.00</td> <td>89.35</td> <td>0.65</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>10.00</td> <td>10.65</td> <td>-0.65</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial period under review, the Fund has invested 90.00% of its NAV in the foreign Collective Investment Scheme and the balance 10.00% of its NAV in money market deposits and cash equivalents.</p>		As at 31.10.2024 %	As at 31.07.2024 %	Changes %	Foreign Collective Investment Scheme	90.00	89.35	0.65	Money market deposits and cash equivalents	10.00	10.65	-0.65	Total	100.00	100.00	
	As at 31.10.2024 %	As at 31.07.2024 %	Changes %														
Foreign Collective Investment Scheme	90.00	89.35	0.65														
Money market deposits and cash equivalents	10.00	10.65	-0.65														
Total	100.00	100.00															
Cross Trades	<p>There were no cross trades undertaken during the financial period under review.</p>																
Distribution/ Unit Splits	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <table border="1" data-bbox="352 842 1461 976"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit RM (sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>19-Sep-24</td> <td>0.5224</td> <td>1.0331</td> <td>1.0279</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	19-Sep-24	0.5224	1.0331	1.0279								
Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)														
19-Sep-24	0.5224	1.0331	1.0279														
State of Affairs	<p>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.</p>																
Rebates and Soft Commission	<p>During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p>																
Market Review	<p>During the reporting quarter, risk assets advanced driven by a dovish shift in monetary policy that stemmed from an array of new economic data. Multiple inflation measures continued to ease, GDP growth came in well ahead of forecasts, consumer spending surprised to the upside, and the service sector recovered into expansionary territory. However, some labor market measures were weaker, the manufacturing sector continued to contract, and consumer confidence declined. The simultaneous deceleration of inflation and jobs growth proved to be the catalyst for the first monetary easing campaign in four years, as the Federal Reserve cut interest rates by 50 basis points at the September FOMC meeting. In addition, second-quarter earnings results were better-than-expected, with most companies beating top- and bottom-line forecasts. Markets responded favorably, with risk assets moving broadly higher into period end to solidify mid-single-digit quarterly gains.</p> <p>On the economic front, third quarter GDP growth was above trend, consumer confidence rose, employment data was balanced, and core inflation increased modestly. Against this backdrop, futures markets pared back rate cut expectations to 25 basis points for the November FOMC meeting, driving treasury yields higher.</p> <p><i>Source: Allianz Global Investors unless otherwise stated</i></p>																

Market Outlook

The easing cycle has begun, with the Fed cutting interest rates by 50 basis points in September as inflation normalizes and the labor market softens.

Apart from an accommodative shift in monetary policy, potential economic tailwinds include steady consumption, continued government spending, improving productivity, increasing capital expenditures, and the proliferation of artificial intelligence. Risk to the economy may increase if these trends weaken. Other potential headwinds include escalating geopolitical tensions, prolonged labor market softening, deteriorating consumer sentiment, and continued manufacturing contraction.

In the short term, US equity volatility could increase due to labor disputes, foreign conflicts, and US elections. Over the intermediate term, the equity market could move higher on continued Fed easing and economic expansion, secular growth drivers, such as artificial intelligence, and accelerating earnings growth or an earnings inflection from more companies. If economic growth or earnings growth fall short of expectations, the equity market could be challenged.

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. Higher debt financing costs have drawn issuers to the convertible market for coupon savings, resulting in accelerated new issuance at favorable terms and an expanded investment opportunity set with the desired risk/reward characteristics. While a change in market leadership is not certain, a sustained broadening of the equity market could be a positive development for the asset class.

The US high-yield market, yielding over 7%, offers the potential for equity-like returns but with less volatility. 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. Credit fundamentals are stable, near-term refinancing obligations remain low, and management teams continue to prioritize debt reduction. Given these factors, the default rate has been below the long-term average with expectations for it to trend toward the historical average in 2025. Regarding credits spreads, they can stay tight for many years. This was the case in the mid-1990s and 2000s – periods like today when high-yield balance sheets were healthy and defaults were low, the economy was stable, and interest rates were elevated.

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.

Collectively, these three asset classes can provide a steady source of income and a compelling “participate and protect” return profile.

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.

Source: Allianz Global Investors unless otherwise stated

US-Canada Income and Growth

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024

	31.10.2024 (unaudited) RM	31.07.2024 (audited) RM
ASSETS		
Investment	37,076,406	41,216,089
Amount due from Target Fund Manager	233,832	-
Tax recoverable	1,016,803	1,016,803
Cash at bank	3,203,260	4,061,053
TOTAL ASSETS	<u>41,530,301</u>	<u>46,293,945</u>
LIABILITIES		
Amount due to Manager	316,546	149,760
Amount due to Trustee	2,125	2,422
Sundry payables and accruals	15,379	12,730
TOTAL LIABILITIES	<u>334,050</u>	<u>164,912</u>
NET ASSET VALUE (“NAV”) OF THE FUND	<u>41,196,251</u>	<u>46,129,033</u>
EQUITY		
Unit holders’ capital	43,585,045	47,436,916
Accumulated losses	(2,388,794)	(1,307,883)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>41,196,251</u>	<u>46,129,033</u>
UNITS IN CIRCULATION	<u>39,562,674</u>	<u>43,297,577</u>
NAV PER UNIT (RM)	<u>1.0413</u>	<u>1.0654</u>

US-Canada Income and Growth

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 OCTOBER 2024

	01.08.2024 to 31.10.2024 RM	01.08.2023 to 31.10.2023 RM
INVESTMENT LOSSES		
Distribution income	659,011	974,755
Interest income	21,971	8,126
Net losses from investment:		
– Financial assets at fair value through profit or loss (“FVTPL”)	(1,418,066)	(3,620,531)
Other net realised losses on foreign currency exchange	(52,637)	(56,393)
Other net unrealised gain on foreign currency exchange	870	-
	<u>(788,851)</u>	<u>(2,694,043)</u>
EXPENDITURE		
Manager’s fee	(68,837)	(78,941)
Trustee’s fee	(6,454)	(8,118)
Audit fee	(1,891)	(1,885)
Tax agent’s fee	(958)	(955)
Other expenses	(857)	(150)
	<u>(78,997)</u>	<u>(90,049)</u>
Net losses before taxation	(867,848)	(2,784,092)
Taxation	-	-
Net losses after taxation, representing total comprehensive losses for the financial period	<u>(867,848)</u>	<u>(2,784,092)</u>
Total comprehensive losses comprises the following:		
Realised income	129,002	120,749
Unrealised losses	(996,850)	(2,904,841)
	<u>(867,848)</u>	<u>(2,784,092)</u>
Distribution for the financial period		
Net distribution	<u>213,063</u>	<u>180,490</u>
Gross distribution per unit (sen)	<u>0.5224</u>	<u>0.3500</u>
Net distribution per unit (sen)	<u>0.5224</u>	<u>0.3500</u>

US-Canada Income and Growth

STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 OCTOBER 2024

	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 August 2024	47,436,916	(1,307,883)	46,129,033
Total comprehensive loss for the financial period	-	(867,848)	(867,848)
Creation of units	200,493	-	200,493
Reinvestment of distribution	213,063	-	213,063
Cancellation of units	(4,265,427)	-	(4,265,427)
Distribution	-	(213,063)	(213,063)
Balance at 31 October 2024	<u>43,585,045</u>	<u>(2,388,794)</u>	<u>41,196,251</u>
At 1 August 2023	60,991,727	(3,716,667)	57,275,060
Total comprehensive loss for the financial period	-	(2,784,092)	(2,784,092)
Creation of units	238,980	-	238,980
Reinvestment of distribution	180,490	-	180,490
Cancellation of units	(5,022,979)	-	(5,022,979)
Distribution	-	(180,490)	(180,490)
Balance at 31 October 2023	<u>56,388,218</u>	<u>(6,681,249)</u>	<u>49,706,969</u>

US-Canada Income and Growth

STATEMENT OF CASH FLOWS *(Unaudited)*

FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 31 OCTOBER 2024

	01.08.2024 to 31.10.2024 RM	01.08.2023 to 31.10.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	3,095,030	4,866,511
Interest received	21,971	8,126
Manager's fee paid	(72,929)	(81,718)
Trustee's fee paid	(6,751)	(8,481)
Tax paid	-	(418,490)
Payments for other expenses	(1,057)	(150)
Net cash generated from operating and investing activities	<u>3,036,264</u>	<u>4,365,798</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	200,493	238,980
Payments for cancellation of units	(4,094,550)	(5,252,035)
Net cash used in financing activities	<u>(3,894,057)</u>	<u>(5,013,055)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(857,793)	(647,257)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>4,061,053</u>	<u>1,712,726</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>3,203,260</u>	<u>1,065,469</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>3,203,260</u>	<u>1,065,469</u>

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Friday (8.45 a.m. to 5.00 p.m.)*

