

Annual Report for
AmBalanced

31 July 2025



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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

Trustee

HSBC (Malaysia) Trustee Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Malaysia Tax Services Sdn. Bhd.
(formerly known as 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 AmBalanced ("Fund") for the financial year ended 31 July 2025.

Salient Information of the Fund

Name	AmBalanced ("Fund")
Category/ Type	Balanced / Growth
Objective	<p>AmBalanced aims to grow the value of investments in the long-term with lower volatility through asset diversification.</p> <p><i>Note:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Duration	The Fund was established on 16 September 2003 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>50% Medium MGS Index by Quantshop 50% FTSE Bursa Malaysia Top100 Index (Available at www.aminvest.com)</p> <p><i>Note: The composite benchmark index is a reflection of the Fund's average asset allocation over the medium to long-term. For the equities portion of the Fund the performance benchmark will be FTSE Bursa Malaysia Top 100 Index and for the fixed income portion it will be the Quantshop Medium MGS Index. The benchmark is for performance comparison only. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>Source: FTSE International Limited ("FTSE") © FTSE 2025. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "BURSA MALAYSIA" is a trade mark of Bursa Malaysia Berhad ("BURSA MALAYSIA"). All intellectual property rights in the index values and constituent list vests in FTSE and BURSA MALAYSIA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.</i></p>
Income Distribution Policy	Income distribution (if any) is incidental.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 July are as follows:			
		As at 31 July		
		2025 %	2024 %	2023 %
	Consumer discretionary	1.63	2.41	5.74
	Consumer staples	3.16	4.60	3.93
	Energy	-	1.06	0.42
	Financials	20.88	12.56	11.01
	Health care	1.56	7.14	3.33
	Industrials	4.70	7.29	7.05
	Information technology	1.03	5.02	5.60
	Materials	1.03	2.52	2.95
	Real estate/REITs	4.06	1.56	0.98
	Telecommunication services	5.02	5.67	1.28
	Utilities	9.09	7.14	3.21
	Corporate bonds	14.54	21.04	31.11
	Local Collective Investment Schemes	6.49	-	5.70
	Malaysian Government Securities	19.69	12.01	11.17
	Money market deposits and cash equivalents	7.12	9.98	6.52
	Total	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 July are as follows:			
		FYE 2025	FYE 2024	FYE 2023
	Net asset value (RM)	1,556,462	2,522,812	2,691,121
	Units in circulation	1,245,127	1,723,439	2,039,663
	Net asset value per unit (RM)	1.2500	1.4638	1.3194
	Highest net asset value per unit (RM)	1.4641	1.4862	1.3282
	Lowest net asset value per unit (RM)	1.1897	1.3059	1.2194
	Benchmark performance (%)	-1.38	10.34	2.66
	Total return (%) ⁽¹⁾	-5.50	10.94	3.78
	- Capital growth (%)	-14.77	10.94	3.78
	- Income distribution (%)	9.27	-	-
	Gross distribution (RM sen per unit)	13.5704	-	-
	Net distribution (RM sen per unit)	13.5704	-	-
	Total expense ratio (%) ⁽²⁾	2.64	2.43	2.11
	Portfolio turnover ratio (times) ⁽³⁾	0.96	1.44	0.81
	<i>Note:</i>			
	<i>(1) Total return is the actual return of the Fund for the financial years computed based on the net asset value per unit and net of all fees. Total return is calculated based on the published NAV/unit (last business day).</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 0.21% as compared to 2.43% per annum for the financial year ended 31 July 2024 mainly due to decrease in average fund size.</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 2025 and increase in 2024 were due mainly to investing activities.

Average Total Return (as at 31 July 2025)

	AmBalanced^(a) %	Benchmark^(b) %
One year	-5.50	-1.38
Three years	2.85	3.76
Five years	0.30	1.46
Ten years	2.90	1.99

Annual Total Return

Financial Years Ended (31 July)	AmBalanced^(a) %	Benchmark^(b) %
2025	-5.50	-1.38
2024	10.94	10.34
2023	3.78	2.66
2022	-9.70	-1.64
2021	3.32	-2.15

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

(b) 50% FTSE Bursa Malaysia Top100 Index and 50% Medium MGS Index by Quantshop (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.

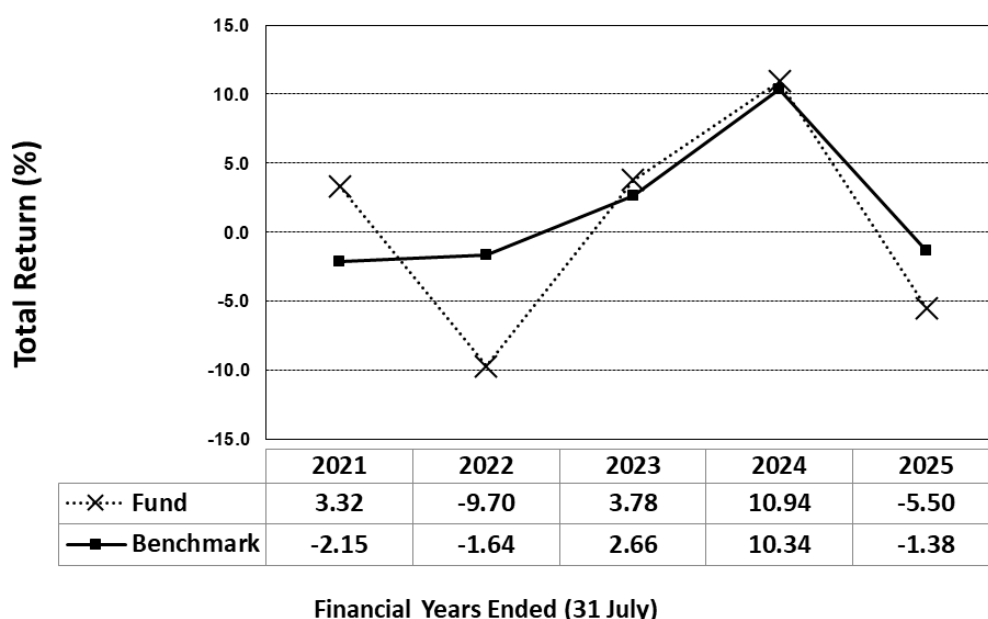
Fund Performance

For the financial year under review, the Fund registered a negative return of 5.50% comprising of negative 14.77% capital and 9.27% income distribution.

Thus, the Fund's negative return of 5.50% has underperformed the benchmark's negative return of 1.38% by 4.12%.

As compared with the financial year ended 31 July 2024, the net asset value ("NAV") per unit of the Fund decreased by 14.61% from RM1.4638 to RM1.2500 while units in circulation decreased by 27.75% from 1,723,439 units to 1,245,127 units.

The following line chart shows comparison between the annual performances of AmBalanced 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.

Strategies and Policies Employed

For the financial year under review, the Fund invested generally according to a balanced mix between equities and fixed income with a tactical asset allocation exposure range between 30% and 70%.

Equity

The Fund invested up to a maximum 70% of its net asset value (NAV) in equities. Value-add from equity investments is derived from active stock selection with focus on undervalued stock relative to its earnings growth potential and/or its intrinsic value. In the event that outlook for equity investments is not conducive, the Fund can choose to have a maximum exposure of 30% in equity securities.

Fixed Income

The Fund invested up to a maximum 70% of its NAV in fixed income instruments. In buying and selling fixed income instruments for the Fund, the Manager uses active tactical duration management, yield curve positioning and credit spread arbitraging. This approach also involves an analysis of general economic and market conditions. It also involves the use of models that analyze and compare expected returns and assumed risk. Under this approach, the Manager will focus on fixed income instruments that would deliver favourable return in light of the risk. The Manager also considers obligations with a more favourable or improving credit or industry outlook that provide the potential for capital appreciation. The investment management team may adopt an active trading stance, and will not consider portfolio turnover as a limiting factor in ensuring that the Fund meets its investment objective.

Portfolio Structure	The table below is the asset allocation of the Fund as at 31 July 2025 and 31 July 2024.			
		As at 31.07.2025 %	As at 31.07.2024 %	Changes %
	Consumer discretionary	1.63	2.41	-0.78
	Consumer staples	3.16	4.60	-1.44
	Energy	-	1.06	-1.06
	Financials	20.88	12.56	8.32
	Health care	1.56	7.14	-5.58
	Industrials	4.70	7.29	-2.59
	Information technology	1.03	5.02	-3.99
	Materials	1.03	2.52	-1.49
	Real estate/REITs	4.06	1.56	2.50
	Telecommunication services	5.02	5.67	-0.65
	Utilities	9.09	7.14	1.95
	Corporate bonds	14.54	21.04	-6.50
	Local Collective Investment Schemes	6.49	-	6.49
	Malaysian Government Securities	19.69	12.01	7.68
	Money market deposits and cash equivalents	7.12	9.98	-2.86
Total	100.00	100.00		
	For the financial year under review, the Fund reduced investment in Corporate bonds, and Healthcare sector to re-deploy capital into Financials, and Malaysian Government Securities.			
Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).			
Cross Trades	There were no cross trades undertaken during the financial year under review.			
Distribution/ Unit splits	During the financial year under review, the Fund declared income distribution, detailed as follows:			
	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)
	19-Sep-24	13.5704	1.4082	1.2725
	There is no unit split declared for the financial year under review.			
State of Affairs	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.			
Rebates and Soft Commission	During the year, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund’s benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.			

	<p>The company has soft commission arrangement with a total of 12 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>
Market Review	<p>In 3Q2024 macros, aside from United States (US) rate cuts, the Ringgits sentiment was boosted by a huge beat to 1H2024 Gross Domestic Product (GDP), after the final 2nd quarter GDP print came in above all estimates at 5.9% Year over Year (YoY). The 2Q figures were excellent with an unexpected robust increase in private consumption, fixed investment, and export growth. With the strong performance in the first half, Bank Negara is now of the view that growth for the full year of 2024 could be closer to the upper end of the 4% to 5% range. Bank Negara is understood be making no changes to its rate outlook through to the end of 2025. Current low inflation (August inflation below 2%) allows Bank Negara to take a relaxed stance toward inflation. Even when headlines rise as gasoline subsidies are dismantled we see little reason for the central bank to tighten. Current good growth and low real rates give no reason to cut.</p> <p>Healthcare was the best performing sector in Malaysia in 4Q2024 as glovemakers surged ahead of a US tariff on Chinese medical gloves. The market had started to price in higher glove ASPs and a quicker turnaround of profitability following a series of broker upgrades. Technology was the next best performer in 4Q as the street started to position into underperformers by year-end, while Construction rounded off the top 3 sectors of 4Q24, helped on by Gamuda's inclusion in the KLCI. For 2024, full-year gains were led by the year's prime thematic – Construction (+60.7% Year to Date (YTD)), Utilities (+38.3% YTD) and Property (+31.5%) as Malaysia remains the region's top destination for data centres.</p> <p>On 13 January 2025, the outgoing President Biden proposed new rules on the export of Artificial Intelligent (AI) chips. The objective is to safeguard US technological leadership in AI and maintain US hegemony in the global order. To prevent China from assessing advanced AI. The rule is subjected to 120 days of comment period before becoming effective. Allied country headquartered companies that maintain 75% of AI computing capacity in the US/allied countries and obtain VEU (Validated End User) status, can place at max 7% of their AI computing capacity in any single tier-2 country like Malaysia. Companies not headquartered in the US or allied countries who obtain VEU can get access to 320k H100/or equivalent computing power over 2 years. On top of that, DeepSeek, an AI startup owned by a leading quant fund based in China, surprised the AI world by introducing an innovative large language model like OpenAI's ChatGPT at a fraction of the cost. The development has sent selling waves across global markets, particularly hitting hard on US chipmakers like Nvidia. Companies like Meta and Microsoft, which have pledged billions in AI infrastructure, may relook at their capital expenditure plans.</p> <p>The KLCI index rebounded 1.28% in the second quarter, outperformed the FBM100, which gained 1.14% during the quarter. The market remained volatile amid weak corporate earnings and rising trade policy uncertainty. The equity market lagged behind North Asian peers, particularly China and Hong Kong, which continued to benefit from AI- and robotics-driven policy tailwinds. Malaysia, by contrast, remained under pressure from persistent foreign outflows, weak demand in key export markets, and renewed fears of US tariff implementation. Market</p>

	<p>weakness was again led by declines in large-cap names such as Axiata, Petronas Chemicals, and Inari, all of which disappointed in the recent earnings season. YTL Corp and YTL Power continued to weigh on the index post-rights issue announcement, although losses moderated in June. Construction and property stocks outperformed toward quarter-end, supported by improved sentiment and expectations of domestic policy support.</p> <p>In July 2025, Bank Negara Malaysia (BNM) cut the Overnight Policy Rate (OPR) by 25bps to 2.75% - its first rate cut in nearly two years - to support growth amid rising downside risks. Under the 13th Malaysia Plan (2026–2030), Malaysia aims to become an Artificial Intelligent (AI)-driven nation and a regional hub for digital technology manufacturing by 2030. AI will be integrated across key sectors-such as manufacturing, agriculture, healthcare, and public services to boost productivity and innovation. The plan also focuses on modernising governance through AI-powered public administration, enhancing transparency and decision-making.</p>
Market Outlook	<p>August marked the second largest foreign net sell Year to Date (YTD) amounting to RM3.4 billion, with foreign participation increasing to 42%. Despite the large foreign net sell, the KLCI recorded its largest month-on-month gain of +2.7% YTD. This could be partially attributable to the 2Q FY2025 earnings reporting season where we saw an improvement in the number of companies which reported earnings that met or above consensus expectations.</p> <p>We believe investors are looking beyond the reported earnings of 2QFY25 and possibly positioning for a potential rate downcycle by the United States (US) Federal Reserve (Fed) which should bode well for the Ringgit and emerging markets overall. Domestic portfolios continue to be positioned into dividend yielding stocks and domestic-driven sectors.</p>
Additional Information	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) The Twelfth Supplementary Master Prospectus dated 27 March 2025 has been registered with the Securities Commission Malaysia. Notice of issuance for the Twelfth Supplementary Master Prospectus dated 27 March 2025 was published on our website at www.aminvest.com and sent to unit holders on 7 April 2025. 2) The Thirteenth Supplementary Master Prospectus dated 2 May 2025 has been registered with the Securities Commission Malaysia. Notice of issuance for the Thirteenth Supplementary Master Prospectus dated 2 May 2025 was published on our website at www.aminvest.com and sent to unit holders on 16 May 2025. 3) The Fourteenth Supplementary Master Prospectus dated 25 June 2025 has been registered with the Securities Commission Malaysia. Notice of issuance for the Fourteenth Supplementary Master Prospectus dated 25 June 2025 was published on our website at www.aminvest.com and sent to unit holders on 4 July 2025. 4) The Fifteenth Supplementary Master Prospectus dated 5 August 2025 has been registered with the Securities Commission Malaysia. Notice of issuance for the Fourteenth Supplementary Master Prospectus dated 5 August 2025 was published on our website at www.aminvest.com and sent to unit holders on 12 August 2025.

Kuala Lumpur, Malaysia
AmFunds Management Berhad

24 September 2025

Independent auditors' report to the unit holders of AmBalanced

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmBalanced (the "Fund"), which comprise the statement of financial position as at 31 July 2025, 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 12 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 July 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting 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 AmBalanced (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 MFRS Accounting Standards and IFRS Accounting 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
AmBalanced (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
AmBalanced (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
24 September 2025

AmBalanced**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2025**

	Note	2025 RM	2024 RM
ASSETS			
Investments	4	1,445,654	2,270,970
Dividend receivables		-	301
Amount due from brokers	5	7,900	66,188
Deposit with licensed financial institution	6	116,009	156,013
Cash at bank		13,823	43,992
TOTAL ASSETS		1,583,386	2,537,464
LIABILITIES			
Amount due to brokers	5	9,133	-
Amount due to Manager	7	2,224	3,828
Amount due to Trustee	8	67	113
Sundry payables and accruals		15,500	10,711
TOTAL LIABILITIES		26,924	14,652
NET ASSET VALUE ("NAV") OF THE FUND		1,556,462	2,522,812
EQUITY			
Unit holders' capital	10(a)	(4,308,106)	(3,656,157)
Retained earnings	10(b)(c)	5,864,568	6,178,969
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	1,556,462	2,522,812
UNITS IN CIRCULATION	10(a)	1,245,127	1,723,439
NAV PER UNIT (RM)		1.2500	1.4638

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

AmBalanced

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	Note	2025 RM	2024 RM
INVESTMENT (LOSS)/INCOME			
Dividend/Distribution income		37,441	36,234
Interest income		30,869	49,130
Net (loss)/gain from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	<u>(122,750)</u>	<u>277,223</u>
		<u>(54,440)</u>	<u>362,587</u>
EXPENDITURE			
Manager’s fee	7	(27,151)	(36,449)
Trustee’s fee	8	(910)	(1,292)
Audit fee		(5,500)	(5,500)
Tax agent’s fee		(5,000)	(5,000)
Brokerage and other transaction fees		(10,904)	(27,623)
Other expenses		<u>(9,498)</u>	<u>(14,552)</u>
		<u>(58,963)</u>	<u>(90,416)</u>
Net (loss)/income before taxation		(113,403)	272,171
Taxation	12	<u>-</u>	<u>(21)</u>
Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial year		<u>(113,403)</u>	<u>272,150</u>
Total comprehensive (loss)/income comprises the following:			
Realised (loss)/income		(62,454)	200,998
Unrealised (loss)/gain		<u>(50,949)</u>	<u>71,152</u>
		<u>(113,403)</u>	<u>272,150</u>
Distribution for the financial year			
Net distribution	13	<u>200,998</u>	<u>-</u>
Gross distribution per unit (sen)	13	<u>13.5704</u>	<u>-</u>
Net distribution per unit (sen)	13	<u>13.5704</u>	<u>-</u>

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

AmBalanced**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 August 2024		(3,656,157)	6,178,969	2,522,812
Total comprehensive loss for the financial year		-	(113,403)	(113,403)
Creation of units	10(a)	8,570	-	8,570
Reinvestment of distribution	10(a)	200,998	-	200,998
Cancellation of units	10(a)	(861,517)	-	(861,517)
Distribution	13	-	(200,998)	(200,998)
Balance at 31 July 2025		<u>(4,308,106)</u>	<u>5,864,568</u>	<u>1,556,462</u>
At 1 August 2023		(3,215,698)	5,906,819	2,691,121
Total comprehensive income for the financial year		-	272,150	272,150
Creation of units	10(a)	848,263	-	848,263
Cancellation of units	10(a)	<u>(1,288,722)</u>	<u>-</u>	<u>(1,288,722)</u>
Balance at 31 July 2024		<u>(3,656,157)</u>	<u>6,178,969</u>	<u>2,522,812</u>

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

AmBalanced**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		2,143,138	3,931,781
Purchases of investments		(1,378,123)	(3,466,083)
Dividend/Distribution received		37,742	36,112
Interest received		35,841	55,573
Manager's fee paid		(28,755)	(36,119)
Trustee's fee paid		(956)	(1,292)
Tax agent's fee paid		-	(5,000)
Payments for other expenses		(26,113)	(48,126)
Net cash generated from operating and investing activities		<u>782,774</u>	<u>466,846</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		8,570	848,263
Payments for cancellation of units		(861,517)	(1,291,371)
Net cash used in financing activities		<u>(852,947)</u>	<u>(443,108)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(70,173)	23,738
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>200,005</u>	<u>176,267</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>129,832</u>	<u>200,005</u>
Cash and cash equivalents comprise:			
Deposit with licensed financial institution	6	116,009	156,013
Cash at bank		<u>13,823</u>	<u>43,992</u>
		<u>129,832</u>	<u>200,005</u>

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

AmBalanced

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

1. GENERAL INFORMATION

AmBalanced (the “Fund”) was established pursuant to a Deed dated 11 September 2003 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of growing the value of investments in longer term with lower volatility through asset diversification. As provided in the Deeds, the financial year shall end on 31 July and the units in the Fund were first offered for sale on 16 September 2003.

The financial statements were authorised for issue by the Manager on 24 September 2025.

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
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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

Standards issued but not yet effective (cont'd.)

Description	Effective for financial periods beginning on or after
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>	
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i> *	1 January 2026
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.

(i) Dividend/Distribution income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

3.1 Income recognition (cont'd.)

(ii) 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.

(iii) 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 JULY 2025**

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

3.4 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.

3.5 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 Dividend/Distribution income, 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.

3.6 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").

3.7 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.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

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

(iii) “Day 1” profit or loss

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

3.8 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 JULY 2025**

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

3.8 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 assets. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

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

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Dividend/Distribution revenue and interest earned elements of such instruments are recorded separately in "Dividend/Distribution income" and "Interest income" respectively.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

3.8 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 (cont'd.)

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

The Fund subsequently measures its investments at FVTPL. Dividend/Distribution earned whilst holding the investments are recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

3.9 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 holders. 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.

3.10 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 JULY 2025**

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

3.10 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.

3.11 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.

3.12 Determination of fair value

For investments in local quoted equity securities, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. For investments in Collective Investment Schemes (“CIS”), fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the quoted price that the Fund paid when buying its investments. 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. 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 purchased/adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

3.13 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

3.14 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

	2025	2024
	RM	RM
Financial assets at FVTPL		
Quoted equity securities	774,044	1,437,221
Quoted CIS	37,760	-
Unquoted CIS	101,030	-
Unquoted fixed income securities	532,820	833,749
	<u>1,445,654</u>	<u>2,270,970</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 July 2025 are as follows:

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities				
Consumer discretionary				
Genting Berhad	2,000	6,260	7,380	0.40
MBM Resources Berhad	2,000	9,200	9,255	0.59
Mr D.I.Y. Group (M) Berhad	6,000	9,900	11,490	0.64
	<u>10,000</u>	<u>25,360</u>	<u>28,125</u>	<u>1.63</u>
Consumer staples				
99 Speed Mart Retail Holdings Berhad	4,000	9,080	9,080	0.58
AEON Co. (M) Bhd.	20,000	25,800	29,340	1.66
SD Guthrie Berhad	3,000	14,310	14,430	0.92
	<u>27,000</u>	<u>49,190</u>	<u>52,850</u>	<u>3.16</u>
Financials				
AEON Credit Service (M) Berhad	3,000	15,450	18,615	0.99
CIMB Group Holdings Berhad	11,000	72,050	75,172	4.63
Malayan Banking Berhad	11,000	103,290	108,385	6.64
Public Bank Berhad	23,000	96,830	100,149	6.22
RHB Bank Berhad	4,000	24,520	22,001	1.58
Syarikat Takaful Malaysia Keluarga Berhad	4,000	12,800	17,048	0.82
	<u>56,000</u>	<u>324,940</u>	<u>341,370</u>	<u>20.88</u>
Health care				
Hartalega Holdings Berhad	3,000	4,380	8,790	0.28
IHH Healthcare Berhad	3,000	19,950	21,720	1.28
	<u>6,000</u>	<u>24,330</u>	<u>30,510</u>	<u>1.56</u>
Industrials				
Frontken Corporation Berhad	3,000	12,210	12,897	0.78
Gamuda Berhad	4,000	20,720	15,668	1.33
Sime Darby Berhad	14,000	22,820	37,530	1.47
Sunway Berhad	2,000	9,460	7,411	0.61
Zetrix AI Berhad	9,000	7,920	8,460	0.51
	<u>32,000</u>	<u>73,130</u>	<u>81,966</u>	<u>4.70</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 July 2025 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Information technology				
Cloudpoint Technology Berhad	10,000	7,650	7,668	0.49
Inari Amertron Berhad	4,000	8,440	11,960	0.54
	<u>14,000</u>	<u>16,090</u>	<u>19,628</u>	<u>1.03</u>
Materials				
Press Metal Aluminium Holdings Berhad	3,000	16,020	14,774	1.03
Real estate				
Sime Darby Property Berhad	8,000	11,920	11,680	0.76
UEM Sunrise Berhad	18,000	13,500	18,180	0.87
	<u>26,000</u>	<u>25,420</u>	<u>29,860</u>	<u>1.63</u>
Telecommunication services				
Axiata Group Berhad	4,000	10,800	9,800	0.69
CelcomDigi Berhad	7,000	26,880	29,908	1.73
Telekom Malaysia Berhad	6,000	40,500	38,996	2.60
	<u>17,000</u>	<u>78,180</u>	<u>78,704</u>	<u>5.02</u>
Utilities				
Tenaga Nasional Berhad	6,000	78,120	86,400	5.02
YTL Corporation Berhad	9,600	23,904	31,131	1.54
YTL Power International Berhad	9,600	39,360	43,167	2.53
	<u>25,200</u>	<u>141,384</u>	<u>160,698</u>	<u>9.09</u>
Total quoted equities securities	<u>216,200</u>	<u>774,044</u>	<u>838,485</u>	<u>49.73</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 July 2025 are as follows: (cont'd.)

Name of trust	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted CIS				
REITs				
Capitaland Malaysia Trust	17,000	11,050	10,370	0.71
Paradigm Real Estate Investment Trust	15,000	14,250	15,000	0.92
Pavilion Real Estate Investment Trust	7,000	12,460	9,800	0.80
Total quoted CIS	39,000	37,760	35,170	2.43
Unquoted CIS				
AmBon Islam SRI (<i>formerly known as AmBon Islam</i>)*	73,605	101,030	100,000	6.49
Total unquoted CIS	73,605	101,030	100,000	6.49

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Unquoted fixed income securities						
Corporate bonds						
28.05.2027	Exsim Capital Resources Berhad	AA	50,000	52,037	50,574	3.34
06.10.2038	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	100,000	114,391	102,543	7.35
30.06.2042	Tenaga Nasional Berhad	AAA	50,000	59,851	50,235	3.85
Total corporate bonds			200,000	226,279	203,352	14.54

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 July 2025 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 %
Unquoted fixed income securities (cont'd.)						
Malaysian Government Securities						
20.04.2028	Government of Malaysia	NR**	300,000	306,541	303,177	19.69
Total Malaysian Government Securities			<u>300,000</u>	<u>306,541</u>	<u>303,177</u>	<u>19.69</u>
Total unquoted fixed income securities			<u>500,000</u>	<u>532,820</u>	<u>506,529</u>	<u>34.23</u>
Total financial assets at FVTPL				<u>1,445,654</u>	<u>1,480,184</u>	<u>92.88</u>
Shortfall of fair value over purchased/adjusted cost				<u>(34,530)</u>		

* These CIS are managed by the Manager.

** Non-rated

The weighted average effective yield on investments are as follows:

	Effective yield	
	2025	2024
	%	%
Corporate bonds	4.14	4.16
Malaysian Government Securities	<u>3.06</u>	<u>3.36</u>

Analysis of the remaining maturities of investments as at 31 July 2025 and 31 July 2024 are as follows:

	1 year to 5 years RM	More than 5 years RM
2025		
At nominal value:		
Corporate bonds	50,000	150,000
Malaysian Government Securities	<u>300,000</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

4. INVESTMENTS (CONT'D.)

Analysis of the remaining maturities of investments as at 31 July 2025 and 31 July 2024 are as follows: (cont'd.)

	1 year to 5 years RM	More than 5 years RM
2024		
At nominal value:		
Corporate bonds	350,000	150,000
Malaysian Government Securities	<u>300,000</u>	<u>-</u>

5. AMOUNT DUE FROM/TO BROKERS

Amount due from/to brokers arose from the sale/purchase of investments. The settlement period is within three business days from the transaction date.

6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION

	2025 RM	2024 RM
At nominal value:		
Short-term deposit	<u>116,000</u>	<u>156,000</u>
At carrying value:		
Short-term deposit	<u>116,009</u>	<u>156,013</u>

Details of deposit with licensed financial institution are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
2025				
Short-term deposit				
01.08.2025	CIMB Bank Berhad	<u>116,000</u>	<u>116,009</u>	<u>7.45</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION (CONT'D.)

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

	Weighted average effective interest rate		Weighted average remaining maturities	
	2025 %	2024 %	2025 Day	2024 Day
Short-term deposit	2.75	3.00	1	1

7. AMOUNT DUE TO MANAGER

	2025 RM	2024 RM
Due to Manager		
Manager's fee payable	2,224	3,828

Manager's fee is at a rate of 1.50% (2024: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis. As the Fund invested in the unquoted CIS, the Manager's fee related to the CIS has been charged by the Manager.

According to Securities Commission Malaysia's Guidelines on Unit Trust Funds, Manager's fee can only be charged once and hence, no Manager's fee can be charged on the NAV of the unquoted CIS of this Fund to avoid double charging of Manager's fee.

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

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.05% (2024: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

9. NET (LOSS)/GAIN FROM INVESTMENTS

	2025	2024
	RM	RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised (loss)/gain on sale of investments	(71,801)	206,071
– Net unrealised (loss)/gain on changes in fair value of investments	(50,949)	71,152
	<u>(122,750)</u>	<u>277,223</u>

10. TOTAL EQUITY

Total equity is represented by:

	Note	2025	2024
		RM	RM
Unit holders' capital	(a)	(4,308,106)	(3,656,157)
Retained earnings			
– Realised income	(b)	5,899,098	6,162,550
– Unrealised (loss)/gain	(c)	(34,530)	16,419
		<u>1,556,462</u>	<u>2,522,812</u>

(a) Unit holders' capital/Units in circulation

	2025		2024	
	Number of units	RM	Number of units	RM
At beginning of the financial year	1,723,439	(3,656,157)	2,039,663	(3,215,698)
Creation during the financial year	6,788	8,570	612,757	848,263
Reinvestment of distribution	157,955	200,998	-	-
Cancellation during the financial year	(643,055)	(861,517)	(928,981)	(1,288,722)
At end of the financial year	<u>1,245,127</u>	<u>(4,308,106)</u>	<u>1,723,439</u>	<u>(3,656,157)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

10. TOTAL EQUITY (CONT'D.)

(b) Realised

	2025 RM	2024 RM
At beginning of the financial year	6,162,550	5,961,552
Net realised (loss)/income for the financial year	(62,454)	200,998
Distribution out of realised income (Note 13)	(200,998)	-
At end of the financial year	<u>5,899,098</u>	<u>6,162,550</u>

(c) Unrealised

	2025 RM	2024 RM
At beginning of the financial year	16,419	(54,733)
Net unrealised (loss)/gain for the financial year	(50,949)	71,152
At end of the financial year	<u>(34,530)</u>	<u>16,419</u>

11. 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

There are no units held by the Manager or any other related party as at 31 July 2025 and 31 July 2024.

12. TAXATION

	2025 RM	2024 RM
Local tax	<u>-</u>	<u>21</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

12. TAXATION (CONT'D.)

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

	2025 RM	2024 RM
Net (loss)/income before taxation	<u>(113,403)</u>	<u>272,171</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(27,217)	65,321
Tax effects of:		
Income not subject to tax	(20,141)	(89,793)
Losses not allowed for tax deduction	33,207	2,793
Restriction on tax deductible expenses for unit trust fund	7,096	9,061
Non-permitted expenses for tax purposes	6,267	11,632
Permitted expenses not used and not available for future financial years	<u>788</u>	<u>1,007</u>
Tax expense for the financial year	<u>-</u>	<u>21</u>

13. DISTRIBUTION

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

Financial year ended 31 July 2025

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
19 September 2024	<u>13.5704</u>	<u>13.5704</u>	<u>200,998</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 declared for the financial year ended 31 July 2025 have been proposed before taking into account the net unrealised loss of RM50,949 arising during the financial year which is carried forward to the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025****13. DISTRIBUTION (CONT'D.)**

The distribution during the current financial year was sourced from realised income. There was no distribution out of capital.

14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2025 % p.a.	2024 % p.a.
Manager's fee	1.49	1.41
Trustee's fee	0.05	0.05
Fund's other expenses	1.10	0.97
Total TER	<u>2.64</u>	<u>2.43</u>

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

15. 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 0.96 times (2024: 1.44 times).

16. 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 three segments:

- A portfolio of equity instruments;
- A portfolio of CIS; and
- A portfolio of fixed income instruments, including deposit with licensed financial institution.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

16. SEGMENTAL REPORTING (CONT'D.)

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.

	Equity portfolio RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
2025				
Dividend/Distribution income	37,441	-	-	37,441
Interest income	-	-	30,869	30,869
Net (loss)/gain from investments:				
– Financial assets at FVTPL	(137,563)	4,461	10,352	(122,750)
Total segment investment (loss)/ income for the financial year	<u>(100,122)</u>	<u>4,461</u>	<u>41,221</u>	<u>(54,440)</u>
Financial assets at FVTPL	774,044	138,790	532,820	1,445,654
Amount due from brokers	7,900	-	-	7,900
Deposit with licensed financial institution	-	-	116,009	116,009
Total segment assets	<u>781,944</u>	<u>138,790</u>	<u>648,829</u>	<u>1,569,563</u>
Amount due to broker	9,133	-	-	9,133
Total segment liability	<u>9,133</u>	<u>-</u>	<u>-</u>	<u>9,133</u>
2024				
Dividend/Distribution income	36,234	-	-	36,234
Interest income	-	-	49,130	49,130
Net gain from investments:				
– Financial assets at FVTPL	248,427	7,177	21,619	277,223
Total segment investment income for the financial year	<u>284,661</u>	<u>7,177</u>	<u>70,749</u>	<u>362,587</u>
Financial assets at FVTPL	1,437,221	-	833,749	2,270,970
Dividend receivables	301	-	-	301
Amount due from brokers	66,188	-	-	66,188
Deposit with licensed financial institution	-	-	156,013	156,013
Total segment assets	<u>1,503,710</u>	<u>-</u>	<u>989,762</u>	<u>2,493,472</u>

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 (loss)/income and net (loss)/income after taxation:

	2025 RM	2024 RM
Net reportable segment investment (loss)/income	(54,440)	362,587
Less: Expenses	<u>(58,963)</u>	<u>(90,416)</u>
Net (loss)/income before taxation	(113,403)	272,171
Taxation	-	(21)
Net (loss)/income after taxation	<u>(113,403)</u>	<u>272,150</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

16. SEGMENTAL REPORTING (CONT'D.)

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.

	2025 RM	2024 RM
Total segment assets	1,569,563	2,493,472
Cash at bank	13,823	43,992
Total assets of the Fund	<u>1,583,386</u>	<u>2,537,464</u>
Total segment liability	9,133	-
Amount due to Manager	2,224	3,828
Amount due to Trustee	67	113
Sundry payables and accruals	15,500	10,711
Total liabilities of the Fund	<u>26,924</u>	<u>14,652</u>

17. TRANSACTIONS WITH THE MANAGER AND BROKERS

Details of transactions with the Manager and brokers for the financial year ended 31 July 2025 are as follows:

	Transactions value RM	%	Brokerage fee, stamp duty and clearing fee RM	%
Public Investment Bank Berhad	998,725	28.71	4,389	40.04
Affin Hwang Investment Bank Berhad	499,168	14.35	2,328	21.24
CIMB Bank Berhad	406,549	11.69	-	-
AmInvestment Bank Berhad*	352,257	10.13	1,596	14.56
Hong Leong Investment Bank Berhad	345,819	9.94	337	3.08
AmBank (M) Berhad*	303,163	8.71	-	-
Maybank Investment Bank Berhad	175,729	5.05	1,212	11.05
RHB Investment Bank Berhad	161,878	4.65	896	8.18
Malayan Banking Berhad	101,923	2.93	-	-
AmFunds Management Berhad	100,000	2.87	-	-
Others	33,620	0.97	202	1.85
Total	<u>3,478,831</u>	<u>100.00</u>	<u>10,960</u>	<u>100.00</u>

* A financial institution 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

17. TRANSACTIONS WITH THE MANAGER AND BROKERS (CONT'D.)

The above transactions are in respect of quoted equity securities and CIS, unquoted CIS and fixed income instruments. Transactions in unquoted CIS and fixed income instruments do not involve any commission or brokerage fee.

18. 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.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2025				
Financial assets				
Investments	1,445,654	-	-	1,445,654
Amount due from brokers	-	7,900	-	7,900
Deposit with licensed financial institution	-	116,009	-	116,009
Cash at bank	-	13,823	-	13,823
Total financial assets	1,445,654	137,732	-	1,583,386
Financial liabilities				
Amount due to brokers	-	-	9,133	9,133
Amount due to Manager	-	-	2,224	2,224
Amount due to Trustee	-	-	67	67
Total financial liabilities	-	-	11,424	11,424

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

18. 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
2024				
Financial assets				
Investments	2,270,970	-	-	2,270,970
Dividend receivables	-	301	-	301
Amount due from brokers	-	66,188	-	66,188
Deposit with licensed financial institution	-	156,013	-	156,013
Cash at bank	-	43,992	-	43,992
Total financial assets	2,270,970	266,494	-	2,537,464
Financial liabilities				
Amount due to Manager	-	-	3,828	3,828
Amount due to Trustee	-	-	113	113
Total financial liabilities	-	-	3,941	3,941

	Income, expenses, gains and losses	
	2025 RM	2024 RM
Income, of which derived from:		
– Dividend/Distribution income from financial assets at FVTPL	37,441	36,234
– Interest income from financial assets at FVTPL	25,811	42,027
– Interest income from financial assets at amortised cost	5,058	7,103
Net (loss)/gain from financial assets at FVTPL	<u>(122,750)</u>	<u>277,223</u>

(b) Financial instruments that are carried at fair value

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

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

18. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value (cont'd.)

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: (cont'd.)

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
2025				
Financial assets at FVTPL	811,804	633,850	-	1,445,654
2024				
Financial assets at FVTPL	1,437,221	833,749	-	2,270,970

(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:

- Dividend receivables
- Amount due from/to brokers
- Deposit with licensed financial institution
- Cash at bank
- Amount due to Manager
- 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.

19. 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, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

(a) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

(i) Price risk

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2025 RM	2024 RM
-5.00%	(45,642)	(71,861)
+5.00%	<u>45,642</u>	<u>71,861</u>

(ii) 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 institution are determined based on prevailing market rates.

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	
	2025 RM	2024 RM
+100bps	(25,517)	(31,192)
-100bps	<u>27,425</u>	<u>33,895</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

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

(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 would be exposed to the risk of bond issuers and licensed financial institutions defaulting on its 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 July 2025 and 31 July 2024:

Credit rating	RM	As a % of debt securities	As a % of NAV
2025			
AAA	59,851	11.23	3.85
AA	166,428	31.24	10.69
NR	306,541	57.53	19.69
	<u>532,820</u>	<u>100.00</u>	<u>34.23</u>
2024			
AAA	58,020	6.96	2.30
AA	472,839	56.71	18.74
NR	302,890	36.33	12.01
	<u>833,749</u>	<u>100.00</u>	<u>33.05</u>

For deposit with licensed financial institution, the Fund makes placements with licensed financial institution with sound rating of P1/MARC-1 and above. The following table presents the Fund's portfolio of deposits by rating category as at 31 July 2025 and 31 July 2024:

Credit rating	RM	As a % of deposits	As a % of NAV
2025			
P1/MARC-1	<u>116,009</u>	<u>100.00</u>	<u>7.45</u>
2024			
P1/MARC-1	<u>156,013</u>	<u>100.00</u>	<u>6.18</u>

Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

19. 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 July 2025 and 31 July 2024:

Sector	RM	As a % of debt securities	As a % of NAV
2025			
Energy and utilities	174,242	32.70	11.20
Financial services	52,037	9.77	3.34
Public administration	306,541	57.53	19.69
	<u>532,820</u>	<u>100.00</u>	<u>34.23</u>
2024			
Energy and utilities	168,774	20.24	6.69
Financial services	51,084	6.13	2.02
Public administration	302,890	36.33	12.01
Real Estate	311,001	37.30	12.33
	<u>833,749</u>	<u>100.00</u>	<u>33.05</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. This is also the risk of Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

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

The Fund's financial liabilities have contractual maturities of not more than six months.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

19. 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:

	Contractual cash flows (undiscounted)					
	0 – 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
2025						
Financial assets						
Investments	21,600	72,965	318,800	8,213	8,197	229,340
Amount due from brokers	7,900	-	-	-	-	-
Deposit with licensed financial institution	116,009	-	-	-	-	-
Cash at bank	13,823	-	-	-	-	-
Total financial assets	159,332	72,965	318,800	8,213	8,197	229,340
Financial liabilities						
Amount due to brokers	9,133	-	-	-	-	-
Amount due to Manager	2,224	-	-	-	-	-
Amount due to Trustee	67	-	-	-	-	-
Total financial liabilities	11,424	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

19. 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.)

	Contractual cash flows (undiscounted)					
	0 – 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
2024						
Financial assets						
Investments	35,716	231,477	378,633	111,080	8,213	237,537
Dividend receivables	301	-	-	-	-	-
Amount due from brokers	66,188	-	-	-	-	-
Deposit with licensed financial institution	156,013	-	-	-	-	-
Cash at bank	43,992	-	-	-	-	-
Total financial assets	302,210	231,477	378,633	111,080	8,213	237,537
Financial liabilities						
Amount due to Manager	3,828	-	-	-	-	-
Amount due to Trustee	113	-	-	-	-	-
Total financial liabilities	3,941	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025**

19. 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) Management risk

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

(g) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with their 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.

20. 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.

AmBalanced

STATEMENT BY THE MANAGER

I, Wong Weng Tuck, 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 MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of AmBalanced (the “Fund”) as at 31 July 2025 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

WONG WENG TUCK

Executive Director

Kuala Lumpur, Malaysia

24 September 2025

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMBALANCED ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 July 2025 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 Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds 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 HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
24 September 2025

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.)*

