

Annual Report for

AmBond

31 March 2026



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 AmBond ("Fund") for the financial year ended 31 March 2026.

Salient Information of the Fund

| | |
|---|---|
| Name | AmBond ("Fund") |
| Category/ Type | Bond / Income |
| Objective | <p>AmBond is a medium to long-term** bond fund that aims to provide you with a stream of income*.</p> <p><i>Notes:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i> <i>* The Income could be in the form of units or cash.</i> <i>** Medium to long term refers to a period of at least three (3) years.</i></p> |
| Duration | <p>The Fund was established on 20 January 2000 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.</p> |
| Performance Benchmark | <p>BPAM Corporates All Bond Index (Available at www.aminvest.com)</p> <p><i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i></p> |
| Income Distribution Policy | <p>Subject to the availability of income, distribution will be made at least twice every year.</p> <p>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.</p> <p>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.</p> |

Fund Performance Data

| | | | | |
|------------------------------|--|-----------------------|-----------------|-----------------|
| Portfolio Composition | Details of portfolio composition of the Fund as at 31 March are as follows: | | | |
| | | As at 31 March | | |
| | | 2026 | 2025 | 2024 |
| | | % | % | % |
| | Commercial paper | - | - | 0.05 |
| | Corporate bonds | 86.49 | 94.91 | 80.79 |
| | Government Investment Issue | - | 1.62 | 3.45 |
| | Malaysian Government Securities | - | - | 8.97 |
| | Money market deposits and cash equivalents | 13.51 | 3.47 | 6.74 |
| | 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 March are as follows: | | | |
| | | FYE 2026 | FYE 2025 | FYE 2024 |
| | Net asset value (RM) | 574,435,105 | 619,571,517 | 734,480,159 |
| | Units in circulation | 421,247,128 | 451,300,986 | 539,311,611 |
| | Net asset value per unit (RM) | 1.3637 | 1.3729 | 1.3619 |
| | Highest net asset value per unit (RM) | 1.3909 | 1.3779 | 1.3619 |
| | Lowest net asset value per unit (RM) | 1.3630 | 1.3493 | 1.2917 |
| | Benchmark performance (%) | 4.52 | 4.71 | 6.81 |
| | Total return (%) ⁽¹⁾ | 3.63 | 3.85 | 5.84 |
| | - Capital growth (%) | -0.59 | 0.87 | 5.45 |
| | - Income distributions (%) | 4.22 | 2.98 | 0.39 |
| | Gross distributions (RM sen per unit) | 5.7910 | 4.0566 | 0.5000 |
| | Net distributions (RM sen per unit) | 5.7910 | 4.0566 | 0.5000 |
| | Total expense ratio (%) ⁽²⁾ | 1.08 | 1.04 | 1.04 |
| | Portfolio turnover ratio (times) ⁽³⁾ | 0.96 | 0.91 | 1.00 |
| | <i>Note:</i> | | | |
| | <i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees. 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 0.04% as compared to 1.04% per annum for the financial year ended 31 March 2025 mainly due to decrease in average fund size.</i> | | | |
| | <i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2026 and decrease in 2025 were due mainly to investing activities.</i> | | | |

Average Total Return (as at 31 March 2026)

| | AmBond^(a) % | Benchmark^{(b)**} % |
|-------------|----------------------------------|---------------------------------------|
| One year | 3.63 | 4.52 |
| Three years | 4.43 | 5.34 |
| Five years | 3.79 | 4.65 |
| Ten years | 4.31 | 4.91 |

Annual Total Return

| Financial Years Ended (31 March) | AmBond^(a) % | Benchmark^{(b)**} % |
|---|----------------------------------|---------------------------------------|
| 2026 | 3.63 | 4.52 |
| 2025 | 3.85 | 4.71 |
| 2024 | 5.84 | 6.81 |
| 2023 | 4.17 | 4.30 |
| 2022 | 1.52 | 2.99 |

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

(b) BPAM Corporates All Bond Index
(Available at www.aminvest.com)

** Benchmark – from 20 January 2000 until 4 July 2013 – Medium Malaysian Government Securities Index
– from 5 July 2013 until 30 September 2016 – Quantshop All Malaysian Government Securities Index
– from 1 October 2016 onwards – BPAM Corporates All Bond Index

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.

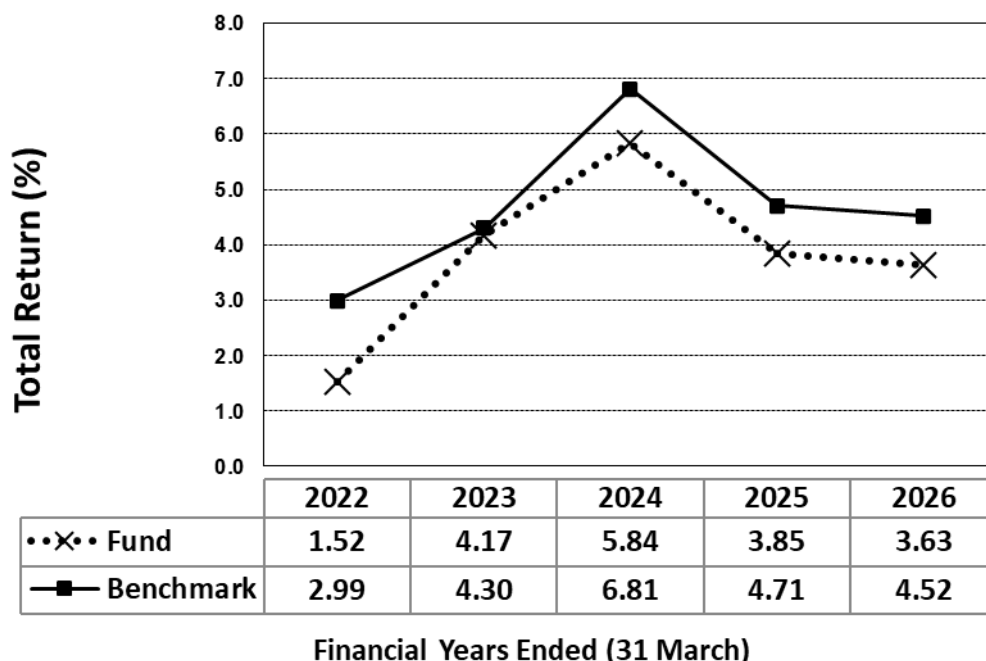
Fund Performance

For the financial year under review, the Fund registered a return of 3.63% comprising of negative 0.59% capital and 4.22% income distributions.

Thus, the Fund's return of 3.63% has underperformed the benchmark's return of 4.52% by 0.89%.

As compared with the financial year ended 31 March 2025, the net asset value ("NAV") per unit of the Fund decreased by 0.67% from RM1.3729 to RM1.3637, while units in circulation decreased by 6.66% from 451,300,986 units to 421,247,128 units.

The following line chart shows comparison between the annual performances of AmBond and its benchmark for the financial years ended 31 March.



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

Strategies and Policies Employed

For the financial year under review, the Fund invested primarily in bonds with the minimum short-term credit rating of P2 and long-term credit rating of BBB3 by RAM or its equivalent as rated by a local or global rating agency.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 March 2026 and 31 March 2025.

| | As at 31.03.2026 % | As at 31.03.2025 % | Changes % |
|--|--------------------------|--------------------------|--------------|
| Corporate bonds | 86.49 | 94.91 | -8.42 |
| Government Investment Issue | - | 1.62 | -1.62 |
| Money market deposits and cash equivalents | 13.51 | 3.47 | 10.04 |
| Total | 100.00 | 100.00 | |

For the financial year under review, the Fund invested 86.49% of its NAV in corporate bonds with the remaining 13.51% was in money market deposits and cash equivalents.

Securities Lending / Repurchase Transactions

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

Cross Trade

There were no cross trades undertaken during the financial year under review.

| Distributions/ Unit Splits | <p>During the financial year under review, the Fund declared distributions, detailed as follows:</p> <table border="1" data-bbox="360 219 1452 566"> <thead> <tr> <th data-bbox="360 219 579 320">Date of distributions</th> <th data-bbox="587 219 874 320">Distributions per unit RM (sen)</th> <th data-bbox="882 219 1177 320">NAV per unit Cum-Distributions (RM)</th> <th data-bbox="1185 219 1452 320">NAV per unit Ex-Distributions (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="360 320 579 353">22-May-25</td> <td data-bbox="587 320 874 353">2.4110</td> <td data-bbox="882 320 1177 353">1.3910</td> <td data-bbox="1185 320 1452 353">1.3669</td> </tr> <tr> <td data-bbox="360 353 579 387">31-Oct-25</td> <td data-bbox="587 353 874 387">1.3800</td> <td data-bbox="882 353 1177 387">1.3872</td> <td data-bbox="1185 353 1452 387">1.3734</td> </tr> <tr> <td data-bbox="360 387 579 421">28-Nov-25</td> <td data-bbox="587 387 874 421">0.4000</td> <td data-bbox="882 387 1177 421">1.3768</td> <td data-bbox="1185 387 1452 421">1.3728</td> </tr> <tr> <td data-bbox="360 421 579 454">26-Dec-25</td> <td data-bbox="587 421 874 454">0.4000</td> <td data-bbox="882 421 1177 454">1.3745</td> <td data-bbox="1185 421 1452 454">1.3705</td> </tr> <tr> <td data-bbox="360 454 579 488">27-Jan-26</td> <td data-bbox="587 454 874 488">0.4000</td> <td data-bbox="882 454 1177 488">1.3720</td> <td data-bbox="1185 454 1452 488">1.3680</td> </tr> <tr> <td data-bbox="360 488 579 521">24-Feb-26</td> <td data-bbox="587 488 874 521">0.4000</td> <td data-bbox="882 488 1177 521">1.3719</td> <td data-bbox="1185 488 1452 521">1.3679</td> </tr> <tr> <td data-bbox="360 521 579 566">26-Mar-26</td> <td data-bbox="587 521 874 566">0.4000</td> <td data-bbox="882 521 1177 566">1.3683</td> <td data-bbox="1185 521 1452 566">1.3643</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial year under review.</p> | Date of distributions | Distributions per unit RM (sen) | NAV per unit Cum-Distributions (RM) | NAV per unit Ex-Distributions (RM) | 22-May-25 | 2.4110 | 1.3910 | 1.3669 | 31-Oct-25 | 1.3800 | 1.3872 | 1.3734 | 28-Nov-25 | 0.4000 | 1.3768 | 1.3728 | 26-Dec-25 | 0.4000 | 1.3745 | 1.3705 | 27-Jan-26 | 0.4000 | 1.3720 | 1.3680 | 24-Feb-26 | 0.4000 | 1.3719 | 1.3679 | 26-Mar-26 | 0.4000 | 1.3683 | 1.3643 |
|---------------------------------------|---|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|-----------|--------|--------|--------|-----------|--------|--------|--------|-----------|--------|--------|--------|-----------|--------|--------|--------|-----------|--------|--------|--------|-----------|--------|--------|--------|-----------|--------|--------|--------|
| Date of distributions | Distributions per unit RM (sen) | NAV per unit Cum-Distributions (RM) | NAV per unit Ex-Distributions (RM) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22-May-25 | 2.4110 | 1.3910 | 1.3669 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31-Oct-25 | 1.3800 | 1.3872 | 1.3734 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28-Nov-25 | 0.4000 | 1.3768 | 1.3728 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26-Dec-25 | 0.4000 | 1.3745 | 1.3705 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27-Jan-26 | 0.4000 | 1.3720 | 1.3680 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24-Feb-26 | 0.4000 | 1.3719 | 1.3679 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26-Mar-26 | 0.4000 | 1.3683 | 1.3643 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State of Affairs | <p>There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rebates and Soft Commission | <p>During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Market Review | <p>The Malaysian bond market turned decisively bullish in 2Q2025, supported by a dovish shift in rate expectations and strong foreign demand. Weaker 1Q Gross Domestic Product (GDP) data drove expectations of a rate cut, triggering sizable foreign inflows of RM10.2 billion in April and a record RM13.5 billion in May. This led to a sharp decline in medium-term Malaysian Government Securities (MGS) yields. Additionally, Bank Negara Malaysia's (BNM) Statutory Reserve Requirement (SRR) cut from 2.00% to 1.00% injected RM18.6 billion of liquidity, further supporting market momentum.</p> <p>In 3Q2025, sentiment remained constructive initially following BNM's pre-emptive 25bps Overnight Policy Rate (OPR) cut to 2.75% in July, which sparked a rally and bull-flattening of the yield curve. However, momentum moderated in August and turned cautious by September as profit-taking emerged alongside a weak 15-year MGS auction. Yields rose across the curve, reflecting temporary divergence from the Federal Reserve's (Fed) easing trajectory.</p> <p>The market entered 4Q2025 on a cautious footing but gradually recovered. Weak sentiment carried into early October, with softer demand for long-tenure bonds and rising yields. Conditions improved later in the month as expectations of Fed easing strengthened, leading to renewed foreign inflows. Momentum picked up further in November and December, supported by robust inflows, a weaker United States Dollar (USD), and stable domestic fundamentals. Despite lower year-end liquidity, strong auction demand allowed the quarter to close on a positive note.</p> <p>However, early 2026 saw increased volatility as investor sentiment fluctuated amid uncertainty over the rate outlook. While conditions briefly stabilized, geopolitical tensions, particularly the United States (US)–Israel vs Iran conflict, triggered a global bond selloff. Malaysian bonds weakened in tandem, leading to a net foreign outflow of RM2.3 billion in February. Overall, while 2025 ended on a strong footing, heightened geopolitical risks and global rate uncertainties are expected to keep market sentiment cautious in the near term.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|-----------------------|--|
| Market Outlook | <p>Geopolitical risks have intensified following the escalation of the United States (US)–Israel vs Iran conflict, driving oil prices higher and reviving global inflation concerns. This has led to a broad rise in global bond yields, reduced expectations for monetary easing, and heightened risk aversion toward emerging-market assets, including Asian currencies and fixed income.</p> <p>Local bond market has seen yields move higher in line with global trends, while investors remain cautious amid increased volatility and expectations of heavier corporate bond issuances in near term. The combination of elevated supply and external uncertainty is likely to keep near-term sentiment defensive, particularly toward longer-duration and lower-rated credits.</p> <p>That said, Malaysia’s bond market remains underpinned by resilient fundamentals. Higher oil-related revenues, manageable inflation and Bank Negara Malaysia’s (BNM) stable policy stance continue to support market stability. As yields adjust upward, valuations are becoming more attractive, creating potential entry opportunities for medium- to long-term investors, especially in high-quality ringgit-denominated bonds and sukuk.</p> |
|-----------------------|--|

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 May 2026

Independent auditors' report to the unit holders of AmBond

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmBond (the "Fund"), which comprise the statement of financial position of the Fund as at 31 March 2026, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2026, 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 AmBond (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 that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation of 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 have 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 AmBond (cont'd.)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism 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
AmBond (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
19 May 2026

AmBond**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

| | Note | 2026 RM | 2025 RM |
|--|-------------|--------------------|--------------------|
| ASSETS | | | |
| Investments | 4 | 496,853,865 | 598,092,298 |
| Amount due from Manager | 5(a) | - | 938,388 |
| Amount due from broker | 6 | 9,910,106 | - |
| Interest receivables | | 158,280 | 107,789 |
| Cash at banks | | 68,640,425 | 21,913,180 |
| TOTAL ASSETS | | <u>575,562,676</u> | <u>621,051,655</u> |
| LIABILITIES | | | |
| Amount due to Manager | 5(b) | 1,032,075 | 1,436,779 |
| Amount due to Trustee | 7 | 19,651 | 21,373 |
| Distribution payable | | 10,768 | - |
| Sundry payables and accruals | | 65,077 | 21,986 |
| TOTAL LIABILITIES | | <u>1,127,571</u> | <u>1,480,138</u> |
| NET ASSET VALUE (“NAV”) OF THE FUND | | <u>574,435,105</u> | <u>619,571,517</u> |
| EQUITY | | | |
| Unit holders’ capital | 9(a) | 539,118,202 | 580,670,981 |
| Retained earnings | 9(b)(c) | 35,316,903 | 38,900,536 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | 9 | <u>574,435,105</u> | <u>619,571,517</u> |
| UNITS IN CIRCULATION | 9(a) | <u>421,247,128</u> | <u>451,300,986</u> |
| NAV PER UNIT (RM) | | <u>1.3637</u> | <u>1.3729</u> |

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

AmBond**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

| | Note | 2026 RM | 2025 RM |
|---|-------------|--------------------|--------------------|
| INVESTMENT INCOME | | | |
| Interest income | | 25,389,280 | 29,044,974 |
| Net gains from investments: | | | |
| - Financial assets at fair value through profit or loss ("FVTPL") | 8 | <u>3,429,176</u> | <u>4,965,690</u> |
| | | <u>28,818,456</u> | <u>34,010,664</u> |
| EXPENDITURE | | | |
| Management fee | 5 | (6,272,096) | (7,081,380) |
| Trustee's fee | 7 | (250,884) | (283,255) |
| Audit fee | | (12,700) | (11,000) |
| Tax agent's fee | | (4,700) | (4,100) |
| Other expenses | | <u>(260,757)</u> | <u>(6,012)</u> |
| | | <u>(6,801,137)</u> | <u>(7,385,747)</u> |
| Net income before taxation | | 22,017,319 | 26,624,917 |
| Taxation | 11 | <u>-</u> | <u>-</u> |
| Net income after taxation representing total comprehensive income for the financial year | | <u>22,017,319</u> | <u>26,624,917</u> |
| Total comprehensive income comprises the following: | | | |
| Realised income | | 23,563,656 | 23,947,012 |
| Unrealised (loss)/gain | | <u>(1,546,337)</u> | <u>2,677,905</u> |
| | | <u>22,017,319</u> | <u>26,624,917</u> |
| Distributions for the financial year | | | |
| Net distributions | 12 | <u>25,600,952</u> | <u>20,158,170</u> |
| Gross distributions per unit (sen) | 12 | <u>5.7910</u> | <u>4.0566</u> |
| Net distributions per unit (sen) | 12 | <u>5.7910</u> | <u>4.0566</u> |

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

AmBond**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

| | Note | Unit holders' capital RM | Retained earnings RM | Total equity RM |
|--|------|--------------------------------|----------------------------|-----------------------|
| At 1 April 2025 | | 580,670,981 | 38,900,536 | 619,571,517 |
| Total comprehensive income for the financial year | | - | 22,017,319 | 22,017,319 |
| Creation of units | 9(a) | 158,349,096 | - | 158,349,096 |
| Reinvestment of distributions | 9(a) | 25,370,174 | - | 25,370,174 |
| Cancellation of units | 9(a) | (225,272,049) | - | (225,272,049) |
| Distributions | 12 | - | (25,600,952) | (25,600,952) |
| Balance at 31 March 2026 | | <u>539,118,202</u> | <u>35,316,903</u> | <u>574,435,105</u> |
| At 1 April 2024 | | 702,046,370 | 32,433,789 | 734,480,159 |
| Total comprehensive income for the financial year | | - | 26,624,917 | 26,624,917 |
| Creation of units | 9(a) | 188,250,269 | - | 188,250,269 |
| Reinvestment of distributions | 9(a) | 19,906,234 | - | 19,906,234 |
| Cancellation of units | 9(a) | (329,531,892) | - | (329,531,892) |
| Distributions | 12 | - | (20,158,170) | (20,158,170) |
| Balance at 31 March 2025 | | <u>580,670,981</u> | <u>38,900,536</u> | <u>619,571,517</u> |

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

AmBond**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

| | 2026 | 2025 |
|---|---------------------|----------------------|
| | RM | RM |
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 642,050,464 | 681,664,915 |
| Purchases of investments | (548,208,228) | (604,896,634) |
| Interest received | 26,254,056 | 34,271,053 |
| Management fee paid | (6,303,197) | (7,157,040) |
| Trustee's fee paid | (252,606) | (286,195) |
| Tax agent's fee paid | (8,200) | - |
| Payments for other expenses | (226,866) | (18,709) |
| Net cash generated from operating and investing activities | <u>113,305,423</u> | <u>103,577,390</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from creation of units | 159,287,484 | 191,973,030 |
| Payments for cancellation of units | (225,645,652) | (328,665,437) |
| Distributions paid | (220,010) | (251,936) |
| Net cash used in financing activities | <u>(66,578,178)</u> | <u>(136,944,343)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 46,727,245 | (33,366,953) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | <u>21,913,180</u> | <u>55,280,133</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>68,640,425</u> | <u>21,913,180</u> |
| Cash and cash equivalents comprise: | | |
| Cash at banks | <u>68,640,425</u> | <u>21,913,180</u> |

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

1. GENERAL INFORMATION

AmBond (the “Fund”) was established pursuant to a Deed dated 17 January 2000 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 providing investors with a stream of income. As provided in the Deeds, the financial year shall end on 31 March and the units in the Fund were first offered for sale on 20 January 2000.

The financial statements were authorised for issue by the Manager on 19 May 2026.

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 MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS Accounting Standards.

Standards effective during the financial year

The adoption of the following amendments to MFRS Accounting Standards 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 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i> | 1 January 2025 |

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 MARCH 2026**

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 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 121: <i>The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency</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 Accounting Standards and Amendments to MFRS Accounting Standards are not relevant to the Fund.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Interest income

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

3.1 Income recognition (cont'd.)

(i) Interest income (cont'd.)

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

(ii) Gain or loss on disposal of investments

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

3.2 Income tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income ("OCI") 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.

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

3.8 Financial assets (cont'd.)

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.

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 fair value through other comprehensive income ("FVOCI")

A financial asset is measured at 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

3.8 Financial assets (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

Financial assets at fair value through other comprehensive income ("FVOCI") (cont'd.)

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". Interest earned element of such instrument is recorded in "Interest income".

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

3.9 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:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

3.10 Derecognition of financial instruments (cont'd.)

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

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when: (cont'd.)

- the Fund has transferred substantially all the risks and rewards of the asset, or
- the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

3.11 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 ECL 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 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 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 MARCH 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (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 year.

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

3.14 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

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

| | 2026 | 2025 |
|----------------------------------|--------------------|--------------------|
| | RM | RM |
| Financial assets at FVTPL | | |
| At nominal value: | | |
| Corporate bonds | 478,650,000 | 568,050,000 |
| Government Investment Issue | - | 10,000,000 |
| | <u>478,650,000</u> | <u>578,050,000</u> |
| At fair value: | | |
| Corporate bonds | 496,853,865 | 588,039,517 |
| Government Investment Issue | - | 10,052,781 |
| | <u>496,853,865</u> | <u>598,092,298</u> |

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2026 are as follows:

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|------------------------|--------------------------------------|---------------|------------------|---------------|------------------|-------------------------------------|
| Corporate bonds | | | | | | |
| 05.08.2026 | Malayan Banking Berhad | AA | 5,000,000 | 5,024,342 | 5,001,961 | 0.87 |
| 21.12.2026 | MBSB Bank Berhad | A | 15,250,000 | 15,656,162 | 15,523,956 | 2.73 |
| 16.11.2027 | Dialog Group Berhad | A | 5,000,000 | 5,106,796 | 5,086,803 | 0.89 |
| 09.12.2027 | First Abu Dhabi Bank P.J.S.C. | AA | 10,000,000 | 10,325,753 | 10,181,702 | 1.80 |
| 19.01.2028 | RHB Bank Berhad | AA | 5,000,000 | 5,120,282 | 5,101,775 | 0.89 |
| 28.03.2028 | Qualitas Sukuk Berhad | AA | 10,000,000 | 10,129,903 | 10,002,603 | 1.76 |
| 28.12.2028 | PONSB Capital Berhad | AA | 2,500,000 | 2,613,369 | 2,614,196 | 0.45 |
| 08.02.2029 | United Overseas Bank (Malaysia) Bhd. | AA | 20,000,000 | 20,252,260 | 20,112,060 | 3.53 |
| 26.03.2029 | Hong Leong Bank Berhad | A | 10,000,000 | 10,154,351 | 10,008,151 | 1.77 |
| 08.05.2029 | Affin Bank Berhad | AA | 5,000,000 | 5,137,503 | 5,079,753 | 0.89 |
| 11.06.2029 | Hong Leong Bank Berhad | AA | 5,000,000 | 5,106,032 | 5,061,582 | 0.89 |
| 12.12.2029 | DRB-HICOM Berhad | AA | 2,400,000 | 2,551,896 | 2,452,876 | 0.44 |

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2026 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 % |
|----------------------------------|---------------------------------------|---------------|---------------------|------------------|---------------------|--|
| Corporate bonds (cont'd.) | | | | | | |
| 06.03.2030 | AEON Credit Service (M) Berhad | AA | 5,000,000 | 5,079,060 | 5,027,033 | 0.88 |
| 21.06.2030 | S P Setia Berhad | AA | 5,000,000 | 5,226,791 | 5,165,892 | 0.91 |
| 29.11.2030 | CIMB Islamic Bank Berhad | AAA | 5,000,000 | 5,222,261 | 5,073,211 | 0.91 |
| 03.12.2030 | CIMB Group Holdings Berhad | A | 2,000,000 | 2,030,238 | 2,026,278 | 0.35 |
| 09.05.2031 | UDA Holdings Berhad | AA | 7,000,000 | 7,386,360 | 7,166,751 | 1.29 |
| 06.06.2031 | Bank Pembangunan Malaysia Berhad | AAA | 5,000,000 | 5,155,297 | 5,155,074 | 0.90 |
| 19.06.2031 | AmBank (M) Berhad* | AA | 5,000,000 | 5,146,049 | 5,057,849 | 0.90 |
| 26.09.2031 | Johor Plantations Group Berhad | AA | 5,000,000 | 5,070,438 | 5,003,288 | 0.88 |
| 19.03.2032 | Press Metal Aluminium Holdings Berhad | AA | 5,000,000 | 5,087,759 | 5,104,201 | 0.89 |
| 06.05.2032 | UDA Holdings Berhad | AA | 2,000,000 | 2,081,620 | 2,047,680 | 0.36 |
| 31.05.2032 | GENM Capital Berhad | AA | 15,000,000 | 15,798,512 | 15,258,362 | 2.75 |

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2026 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 % |
|----------------------------------|--|---------------|------------------|---------------|------------------|-------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 30.06.2032 | STM Lottery Sdn. Bhd. | AA | 7,000,000 | 7,280,262 | 7,102,216 | 1.27 |
| 14.07.2032 | DRB-HICOM Berhad | AA | 10,000,000 | 10,094,152 | 10,127,113 | 1.76 |
| 20.08.2032 | ECO World Perpetual Capital Berhad | A | 21,000,000 | 21,490,592 | 21,103,562 | 3.74 |
| 15.12.2032 | IJM Land Berhad | A | 5,000,000 | 5,076,801 | 5,076,728 | 0.88 |
| 17.12.2032 | CelcomDigi Telecomm-unications Sdn. Bhd. | AAA | 5,000,000 | 5,058,570 | 5,089,939 | 0.88 |
| 18.03.2033 | CelcomDigi Telecomm-unications Sdn. Bhd. | AAA | 5,000,000 | 5,000,564 | 5,006,714 | 0.87 |
| 05.01.2034 | Edra Energy Sdn. Bhd. | AA | 5,000,000 | 5,915,079 | 5,930,893 | 1.03 |
| 19.06.2034 | AmBank (M) Berhad* | AA | 10,000,000 | 10,312,910 | 10,117,110 | 1.80 |
| 23.06.2034 | YTL Corporation Berhad | AAA | 35,000,000 | 37,273,552 | 35,599,888 | 6.49 |
| 08.11.2034 | Genting RMTN Berhad | AA | 10,000,000 | 10,025,500 | 10,071,189 | 1.75 |
| 16.02.2035 | Malakoff Power Berhad | AA | 5,000,000 | 5,196,786 | 5,047,762 | 0.90 |
| 21.02.2035 | Perbadanan Kemajuan Negeri Selangor | AA | 10,000,000 | 10,214,808 | 10,216,487 | 1.78 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2026 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 % |
|----------------------------------|--|----------------------|-----------------------------|--------------------------|-----------------------------|--|
| Corporate bonds (cont'd.) | | | | | | |
| 20.03.2035 | IJM Treasury Management Sdn. Bhd. | AA | 5,000,000 | 5,064,088 | 5,061,183 | 0.88 |
| 13.04.2035 | Infracap Resources Sdn. Bhd. | AAA | 5,000,000 | 5,493,366 | 5,518,563 | 0.96 |
| 08.06.2035 | SMJ Energy Sdn. Bhd. | AAA | 5,000,000 | 4,991,227 | 5,063,098 | 0.87 |
| 13.07.2035 | DRB-HICOM Berhad | AA | 5,000,000 | 5,030,909 | 5,041,559 | 0.88 |
| 10.08.2035 | Tenaga Nasional Berhad | AAA | 5,000,000 | 4,803,170 | 4,720,035 | 0.84 |
| 06.11.2035 | PNB Merdeka Ventures Sdn. Berhad | AAA | 10,000,000 | 10,113,900 | 10,153,200 | 1.76 |
| 28.11.2035 | Malaysian Resources Corporation Berhad | AA | 15,000,000 | 15,249,847 | 15,182,754 | 2.65 |
| 25.01.2036 | S P Setia Berhad | AA | 5,000,000 | 5,070,166 | 5,035,616 | 0.88 |
| 15.02.2036 | Danum Capital Berhad | AAA | 10,000,000 | 10,017,149 | 10,046,049 | 1.74 |
| 18.03.2036 | YTL Power International Berhad | AAA | 30,000,000 | 30,703,299 | 30,974,430 | 5.34 |
| 11.11.2036 | YTL Corporation Berhad | AAA | 10,000,000 | 11,232,745 | 10,256,897 | 1.96 |

AmBond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2026 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 % |
|----------------------------------|-----------------------------------|---------------|---------------------|------------------|---------------------|--|
| Corporate bonds (cont'd.) | | | | | | |
| 12.01.2037 | Projek Lebuhraya Usahasama Berhad | AAA | 5,000,000 | 5,874,826 | 5,419,006 | 1.02 |
| 02.06.2037 | TNB Power Generation Sdn. Bhd. | AAA | 1,500,000 | 1,685,164 | 1,524,904 | 0.29 |
| 03.07.2037 | Edra Energy Sdn. Bhd. | AA | 2,000,000 | 2,507,331 | 2,513,415 | 0.44 |
| 27.08.2038 | Tenaga Nasional Berhad | AAA | 5,000,000 | 5,544,512 | 5,477,507 | 0.96 |
| 21.03.2039 | IJM Treasury Management Sdn. Bhd. | AA | 23,000,000 | 23,832,701 | 23,579,405 | 4.15 |
| 26.08.2039 | YTL Power International Berhad | AAA | 15,000,000 | 15,264,415 | 15,066,435 | 2.66 |
| 11.10.2039 | YTL Power International Berhad | AAA | 5,000,000 | 5,220,937 | 5,320,246 | 0.91 |
| 27.04.2040 | Sime Darby Property Berhad | AA | 5,000,000 | 5,124,210 | 5,085,860 | 0.89 |
| 06.11.2040 | PNB Merdeka Ventures Sdn. Berhad | AAA | 6,000,000 | 6,084,300 | 6,096,960 | 1.06 |
| 02.06.2042 | TNB Power Generation Sdn. Bhd. | AAA | 2,000,000 | 2,312,232 | 2,034,192 | 0.40 |
| 30.06.2042 | Tenaga Nasional Berhad | AAA | 10,000,000 | 11,713,101 | 10,842,754 | 2.04 |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 March 2026 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 % |
|--|---|---------------|---------------------|--------------------|---------------------|--|
| Corporate bonds (cont'd.) | | | | | | |
| 06.10.2042 | Solarpack Suria Sungai Petani Sdn. Bhd. | AA | 3,000,000 | 3,436,467 | 3,109,393 | 0.60 |
| 09.03.2046 | TNB Power Generation Sdn. Bhd. | AAA | 5,000,000 | 5,060,438 | 5,012,688 | 0.88 |
| 10.03.2051 | TNB Power Generation Sdn. Bhd. | AAA | 2,000,000 | 2,020,755 | 2,005,135 | 0.35 |
| Total corporate bonds | | | 478,650,000 | 496,853,865 | 488,943,922 | 86.49 |
| Total financial assets at FVTPL | | | 478,650,000 | 496,853,865 | 488,943,922 | 86.49 |
| Excess of fair value over adjusted cost | | | | 7,909,943 | | |

* Financial institution related to the Manager.

The weighted average effective yield on investments are as follows:

| | Effective yield | |
|-----------------------------|-----------------|-----------|
| | 2026 % | 2025 % |
| Corporate bonds | 4.02 | 4.03 |
| Government Investment Issue | - | 3.59 |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. INVESTMENTS (CONT'D.)

Analysis of the remaining maturities of investments as at 31 March 2026 and 31 March 2025 are as follows:

| | Less than 1 year RM | 1 year to 5 years RM | More than 5 years RM |
|-----------------------------|---------------------------|----------------------------|----------------------------|
| 2026 | | | |
| At nominal value: | | | |
| Corporate bonds | 20,250,000 | 91,900,000 | 366,500,000 |
| | Less than 1 year RM | 1 year to 5 years RM | More than 5 years RM |
| 2025 | | | |
| At nominal value: | | | |
| Corporate bonds | - | 240,550,000 | 327,500,000 |
| Government Investment Issue | - | - | 10,000,000 |

5. AMOUNT DUE FROM/TO MANAGER

| | Note | 2026 RM | 2025 RM |
|-----------------------------|-------|------------------|------------------|
| (a) Due from Manager | | | |
| Creation of units | (i) | - | 938,388 |
| (b) Due to Manager | | | |
| Cancellation of units | (ii) | 492,852 | 866,455 |
| Management fee payable | (iii) | 539,223 | 570,324 |
| | | <u>1,032,075</u> | <u>1,436,779</u> |

(i) This represents amount receivable from the Manager for units created.

(ii) This represents amount payable to the Manager for units cancelled.

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

(iii) Management fee is at a rate of 1.00% (2025: 1.00%) 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 management fee payable is one month.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

6. AMOUNT DUE FROM BROKER

Amount due from broker arose from the sale of investments. The settlement period is within two business days from the transaction date.

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2025: 0.04%) 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.

8. NET GAINS FROM INVESTMENTS

| | 2026 RM | 2025 RM |
|--|--------------------|------------------|
| Net gains on financial assets at FVTPL comprised: | | |
| – Net realised gains on sale of investments | 4,975,513 | 2,287,785 |
| – Net unrealised (loss)/gain on changes in fair value of investments | <u>(1,546,337)</u> | <u>2,677,905</u> |
| | <u>3,429,176</u> | <u>4,965,690</u> |

9. TOTAL EQUITY

Total equity is represented by:

| | Note | 2026 RM | 2025 RM |
|-----------------------|------|--------------------|--------------------|
| Unit holders' capital | (a) | 539,118,202 | 580,670,981 |
| Retained earnings | | | |
| – Realised income | (b) | 27,406,960 | 29,444,256 |
| – Unrealised gains | (c) | <u>7,909,943</u> | <u>9,456,280</u> |
| | | <u>574,435,105</u> | <u>619,571,517</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

9. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/Units in circulation

| | 2026 | | 2025 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Number of units | RM | Number of units | RM |
| At beginning of the financial year | 451,300,986 | 580,670,981 | 539,311,611 | 702,046,370 |
| Creation during the financial year | 114,709,572 | 158,349,096 | 138,231,627 | 188,250,269 |
| Reinvestment of distributions | 18,529,861 | 25,370,174 | 14,742,078 | 19,906,234 |
| Cancellation during the financial year | <u>(163,293,291)</u> | <u>(225,272,049)</u> | <u>(240,984,330)</u> | <u>(329,531,892)</u> |
| At end of the financial year | <u>421,247,128</u> | <u>539,118,202</u> | <u>451,300,986</u> | <u>580,670,981</u> |

(b) Realised

| | 2026 RM | 2025 RM |
|--|---------------------|---------------------|
| At beginning of the financial year | 29,444,256 | 25,655,414 |
| Net realised income for the financial year | 23,563,656 | 23,947,012 |
| Distributions out of realised income (Note 12) | <u>(25,600,952)</u> | <u>(20,158,170)</u> |
| At end of the financial year | <u>27,406,960</u> | <u>29,444,256</u> |

(c) Unrealised

| | 2026 RM | 2025 RM |
|---|--------------------|------------------|
| At beginning of the financial year | 9,456,280 | 6,778,375 |
| Net unrealised (loss)/gain for the financial year | <u>(1,546,337)</u> | <u>2,677,905</u> |
| At end of the financial year | <u>7,909,943</u> | <u>9,456,280</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

There are no units held by the Manager or any other related party as at 31 March 2026 and 31 March 2025.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions and balance as at the reporting date are as follows:

| | 2026 RM | 2025 RM |
|---|--------------------|--------------------|
| Significant related party transactions | | |
| <u>AmBank (M) Berhad</u> | | |
| Interest Income | <u>1,854,329</u> | <u>2,532,164</u> |
| Significant related party balance | | |
| <u>AmBank (M) Berhad</u> | | |
| Cash at bank | <u>68,628,612</u> | <u>21,902,830</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

11. TAXATION

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

A reconciliation of income tax expense applicable to net 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:

| | 2026 | 2025 |
|---|-------------------|-------------------|
| | RM | RM |
| Net income before taxation | <u>22,017,319</u> | <u>26,624,917</u> |
| Taxation at Malaysian statutory rate of 24% (2025: 24%) | 5,284,157 | 6,389,980 |
| Tax effects of: | | |
| Income not subject to taxation | (7,344,914) | (8,218,187) |
| Losses not allowed for tax deduction | 428,484 | 55,627 |
| Restriction on tax deductible expenses | 1,357,516 | 1,531,954 |
| Non-permitted expenses for tax purposes | 123,922 | 70,408 |
| Permitted expenses not used and not available for future financial years | <u>150,835</u> | <u>170,218</u> |
| Tax expense for the financial year | <u>-</u> | <u>-</u> |

12. DISTRIBUTIONS

Details of distributions to unit holders for the current and previous financial years are as follows:

Financial year ended 31 March 2026

| Distributions Ex-date | Gross distributions per unit RM (sen) | Net distributions per unit RM (sen) | Total distributions RM |
|----------------------------------|--|--|---------------------------------------|
| 22 May 2025 | 2.4110 | 2.4110 | 10,527,115 |
| 31 October 2025 | 1.3800 | 1.3800 | 6,332,953 |
| 28 November 2025 | 0.4000 | 0.4000 | 1,833,353 |
| 26 December 2025 | 0.4000 | 0.4000 | 1,783,132 |
| 27 January 2026 | 0.4000 | 0.4000 | 1,735,363 |
| 24 February 2026 | 0.4000 | 0.4000 | 1,704,141 |
| 26 March 2026 | 0.4000 | 0.4000 | 1,684,895 |
| | <u>5.7910</u> | <u>5.7910</u> | <u>25,600,952</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

12. DISTRIBUTIONS (CONT'D.)

Details of distributions to unit holders for the current and previous financial years are as follows: (cont'd.)

Financial year ended 31 March 2025

| Distributions Ex-date | Gross distributions per unit RM (sen) | Net distributions per unit RM (sen) | Total distributions RM |
|--------------------------|--|--|------------------------------|
| 15 May 2024 | 1.1942 | 1.1942 | 6,738,273 |
| 26 November 2024 | 2.8624 | 2.8624 | 13,419,897 |
| | <u>4.0566</u> | <u>4.0566</u> | <u>20,158,170</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 March 2026 have been proposed before taking into account the net unrealised loss of RM1,546,337 arising during the financial year which is carried forward to the next financial year.

All distributions during the current financial year were sourced from realised income. There were no distributions out of capital.

13. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

| | 2026 % p.a. | 2025 % p.a. |
|-----------------------|----------------|----------------|
| Management fee | 1.00 | 1.00 |
| Trustee's fee | 0.04 | 0.04 |
| Fund's other expenses | 0.04 | -* |
| Total TER | <u>1.08</u> | <u>1.04</u> |

* represents less than 0.01%.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis is 0.96 times (2025: 0.91 times).

15. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s investments are made in the form of fixed income securities in Malaysia. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business or geographical segments.

16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 March 2026 are as follows:

| | Transactions value | |
|------------------------------------|----------------------|---------------|
| | RM | % |
| CIMB Bank Berhad | 493,713,416 | 40.82 |
| Hong Leong Investment Bank Berhad | 191,141,485 | 15.80 |
| CIMB Islamic Bank Berhad | 102,153,531 | 8.45 |
| AmBank (M) Berhad* | 78,685,754 | 6.51 |
| JP Morgan Securities (M) Sdn. Bhd. | 76,219,412 | 6.30 |
| Hong Leong Islamic Bank Berhad | 64,286,270 | 5.31 |
| Malayan Banking Berhad | 45,002,940 | 3.72 |
| Bank of America, Malaysia Berhad | 43,937,728 | 3.63 |
| Citibank Berhad | 40,424,060 | 3.34 |
| Hong Leong Bank Berhad | 30,686,781 | 2.54 |
| Others# | 43,194,295 | 3.58 |
| Total | <u>1,209,445,672</u> | <u>100.00</u> |

* A financial institution related to the Manager.

Included in the others, there is transaction amounting to RM10,000,000 with a related party, AmBank Islamic Berhad.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial 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 |
|--|---|--|---|---------------------|
| 2026 | | | | |
| Financial assets | | | | |
| Investments | 496,853,865 | - | - | 496,853,865 |
| Amount due from broker | - | 9,910,106 | - | 9,910,106 |
| Interest receivables | - | 158,280 | - | 158,280 |
| Cash at banks | - | 68,640,425 | - | 68,640,425 |
| Total financial assets | 496,853,865 | 78,708,811 | - | 575,562,676 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 1,032,075 | 1,032,075 |
| Amount due to Trustee | - | - | 19,651 | 19,651 |
| Distribution payable | - | - | 10,768 | 10,768 |
| Total financial liabilities | - | - | 1,062,494 | 1,062,494 |
| 2025 | | | | |
| Financial assets | | | | |
| Investments | 598,092,298 | - | - | 598,092,298 |
| Amount due from Manager | - | 938,388 | - | 938,388 |
| Interest receivables | - | 107,789 | - | 107,789 |
| Cash at banks | - | 21,913,180 | - | 21,913,180 |
| Total financial assets | 598,092,298 | 22,959,357 | - | 621,051,655 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 1,436,779 | 1,436,779 |
| Amount due to Trustee | - | - | 21,373 | 21,373 |
| Total financial liabilities | - | - | 1,458,152 | 1,458,152 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

| | Income, expenses, gains and losses | |
|---|---|------------------|
| | 2026 | 2025 |
| | RM | RM |
| Income, of which derived from: | | |
| – Interest income from financial assets at FVTPL | 24,302,966 | 27,025,456 |
| – Interest income from financial assets at amortised cost | 1,086,314 | 2,019,518 |
| Net gains from financial assets at FVTPL | <u>3,429,176</u> | <u>4,965,690</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
- 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 | Level 2 | Level 3 | Total |
|---------------------------|----------------|--------------------|----------------|--------------------|
| | RM | RM | RM | RM |
| 2026 | | | | |
| Financial assets at FVTPL | <u>-</u> | <u>496,853,865</u> | <u>-</u> | <u>496,853,865</u> |
| 2025 | | | | |
| Financial assets at FVTPL | <u>-</u> | <u>598,092,298</u> | <u>-</u> | <u>598,092,298</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

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

- Amount due from/to Manager
- Amount due from broker
- Interest receivables
- Cash at banks
- Amount due to Trustee
- Distribution payable

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

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, 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 investments restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deeds as the backbone of risk management of the Fund.

(a) Market risk

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

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

(i) Interest rate risk

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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

(a) Market risk (cont'd.)

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

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

| Parallel shift in yield curve by: | Sensitivity of the Fund's NAV, or theoretical value | |
|-----------------------------------|--|-------------------|
| | 2026 RM | 2025 RM |
| +100 bps | (31,004,591) | (33,433,260) |
| -100 bps | <u>32,368,794</u> | <u>35,197,721</u> |

(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 can invest up to 100% of the NAV in fixed income instruments. As such 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 March 2026 and 31 March 2025:

| Credit rating | RM | As a % of debt securities | As a % of NAV |
|---------------|--------------------|------------------------------|------------------|
| 2026 | | | |
| AAA | 195,845,780 | 39.42 | 34.09 |
| AA | 241,493,145 | 48.60 | 42.04 |
| A | 59,514,940 | 11.98 | 10.36 |
| | <u>496,853,865</u> | <u>100.00</u> | <u>86.49</u> |
| 2025 | | | |
| AAA | 128,390,971 | 21.47 | 20.73 |
| AA | 418,547,741 | 69.98 | 67.55 |
| A | 41,100,805 | 6.87 | 6.63 |
| NR | 10,052,781 | 1.68 | 1.62 |
| | <u>598,092,298</u> | <u>100.00</u> | <u>96.53</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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

(a) Market 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 March 2026 and 31 March 2025:

| Sector | RM | As a % of debt securities | As a % of NAV |
|-----------------------------|--------------------|----------------------------------|----------------------|
| 2026 | | | |
| Basic materials | 5,087,759 | 1.02 | 0.89 |
| Communications services | 10,059,134 | 2.02 | 1.75 |
| Consumer discretionary | 53,394,600 | 10.75 | 9.30 |
| Consumer staples | 5,070,438 | 1.02 | 0.88 |
| Energy and utilities | 159,988,006 | 32.20 | 27.85 |
| Financial | 119,739,649 | 24.10 | 20.85 |
| Health care and social work | 10,129,903 | 2.04 | 1.76 |
| Industrials | 44,146,636 | 8.89 | 7.68 |
| Public administration | 15,708,174 | 3.16 | 2.74 |
| Real estate | 67,654,740 | 13.62 | 11.77 |
| Transportation and storage | 5,874,826 | 1.18 | 1.02 |
| | <u>496,853,865</u> | <u>100.00</u> | <u>86.49</u> |
| 2025 | | | |
| Consumer discretionary | 26,127,711 | 4.37 | 4.22 |
| Consumer staples | 5,039,038 | 0.84 | 0.81 |
| Energy and utilities | 176,270,987 | 29.47 | 28.47 |
| Financial | 211,437,586 | 35.35 | 34.12 |
| Health care and social work | 15,091,345 | 2.53 | 2.44 |
| Industrials | 41,021,030 | 6.86 | 6.62 |
| Public administration | 14,223,313 | 2.38 | 2.29 |
| Real estate | 80,093,859 | 13.39 | 12.91 |
| Transportation and storage | 28,787,429 | 4.81 | 4.65 |
| | <u>598,092,298</u> | <u>100.00</u> | <u>96.53</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 financial liabilities or redeem its units earlier than expected. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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

(c) Liquidity risk (cont'd.)

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.

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 | 1 – 2 | 2 – 3 | 3 – 4 | 4 – 5 | More than |
| | year | years | years | years | years | 5 years |
| | RM | RM | RM | RM | RM | RM |
| 2026 | | | | | | |
| Financial assets | | | | | | |
| Investments | 41,346,765 | 50,219,158 | 51,342,688 | 34,672,025 | 28,602,022 | 445,238,680 |
| Amount due from broker | 9,910,106 | - | - | - | - | - |
| Interest receivables | 158,280 | - | - | - | - | - |
| Cash at banks | 68,640,425 | - | - | - | - | - |
| Total financial assets | 120,055,576 | 50,219,158 | 51,342,688 | 34,672,025 | 28,602,022 | 445,238,680 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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

(c) Liquidity risk (cont'd.)

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

| | 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 |
| 2026 (cont'd.) | | | | | | |
| Financial liabilities | | | | | | |
| Amount due to Manager | 1,032,075 | - | - | - | - | - |
| Amount due to Trustee | 19,651 | - | - | - | - | - |
| Distribution payable | 10,768 | - | - | - | - | - |
| Total financial liabilities | 1,062,494 | - | - | - | - | - |
| 2025 | | | | | | |
| Financial assets | | | | | | |
| Investments | 25,529,247 | 79,984,656 | 58,256,808 | 111,586,397 | 77,080,897 | 412,230,621 |
| Amount due from Manager | 938,388 | - | - | - | - | - |
| Interest receivable | 107,789 | - | - | - | - | - |
| Cash at banks | 21,913,180 | - | - | - | - | - |
| Total financial assets | 48,488,604 | 79,984,656 | 58,256,808 | 111,586,397 | 77,080,897 | 412,230,621 |
| Financial liabilities | | | | | | |
| Amount due to Manager | 1,436,779 | - | - | - | - | - |
| Amount due to Trustee | 21,373 | - | - | - | - | - |
| Total financial liabilities | 1,458,152 | - | - | - | - | - |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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

(d) Single issuer risk

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

(e) Regulatory risk

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

(f) 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.

19. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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

AmBond

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 AmBond (the “Fund”) as at 31 March 2026 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

19 May 2026

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMBOND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 March 2026 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 distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Associate Director, Trustee and Fiduciary Services

Kuala Lumpur
19 May 2026

DIRECTORY

Head Office 9th & 10th Floor, Bangunan AmBank Group
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Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Email: enquiries@aminvest.com

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

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

