

Annual Report for

AmDynamic Allocator

31 August 2024



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

Board of Directors

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

Investment Committee

Arnold Lim Boon Lay
Tracy Chen Wee Keng
Goh Wee Peng

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

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

Salient Information of the Fund

Name	AmDynamic Allocator ("Fund")
Category/ Type	Fund-of-Funds (Mixed assets) / Growth and Income
Objective	<p>The Fund aims to achieve capital growth over the medium to long-term and at the same time provide income* by investing primarily in CIS.</p> <p><i>Note:</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></p>
Duration	The Fund was established on 23 April 2012 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
Performance Benchmark	<p>AmBank (M) Berhad 12-months fixed deposit rate + 3.00% per annum ("AMBB") (Available at www.aminvest.com)</p> <p>The performance benchmark is decided based on our back-testing, which calculates how the investment strategies of the Fund would have performed (as if it had actually been applied in the past) by applying the historical performance of the CIS.*</p> <p>The risk profile of the Fund is higher than the risk profile of the performance benchmark.</p> <p>The performance benchmark is only a measurement of the Fund's performance and there is no guarantee it will be achieved. The Fund may not achieve the benchmark in any particular year but it is expected to outperform the performance benchmark over the medium to long-term.</p> <p><i>Note: *Past performance is no indication of future performance of the Fund.</i></p>
Income Distribution Policy	Subject to availability of income, distribution is paid once a year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 August are as follows:			
		As at 31 August		
		2024 %	2023 %	2022 %
	Foreign exchange traded funds	79.73	73.35	74.75
	Local Collective Investment Schemes	18.87	22.80	24.11
	Money market deposits and cash equivalents	1.40	3.85	1.14
	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 August are as follows:			
		FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)	12,830,743	10,694,086	10,920,505
	Units in circulation	56,357,743	49,472,862	53,497,438
	Net asset value per unit (RM)	0.2277	0.2162	0.2041
	Highest net asset value per unit (RM)	0.2461	0.2236	0.2668
	Lowest net asset value per unit (RM)	0.2040	0.1914	0.2041
	Benchmark performance (%)	5.61	5.45	4.66
	Total return (%) ⁽¹⁾	4.99	7.23	-15.02
	- Capital growth (%)	4.99	5.52	-22.58
	- Income distribution (%)	-	1.71	7.56
	Gross distribution (sen per unit)	-	0.42	2.00
	Net distribution (sen per unit)	-	0.35	2.00
	Total expense ratio (%) ⁽²⁾	1.68	1.62	2.10
	Portfolio turnover ratio (times) ⁽³⁾	0.48	0.25	0.18
	<p><i>Note:</i></p> <p>(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.</p> <p>(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 0.06% as compared to 1.62% per annum for the financial year ended 31 August 2023 mainly due to increase in expenses.</p> <p>(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 2024 and 2023 were due mainly to investing activities.</p>			

Average Total Return (as at 31 August 2024)

	AmDynamic Allocator^(a) %	AMBB^(b) %
One year	4.99	5.61
Three years	-1.47	5.24
Five years	5.37	5.15
Ten years	4.43	5.71

Annual Total Return

Financial Years Ended (31 August)	AmDynamic Allocator^(a) %	AMBB^(b) %
2024	4.99	5.61
2023	7.23	5.45
2022	-15.02	4.66
2021	18.34	4.55
2020	14.72	5.50

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

(b) AmBank (M) Berhad 12-months fixed deposit rate + 3.00% per annum ("AMBB") (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 return of 4.99%^(a) which is entirely capital growth in nature.

Thus, the Fund's return of 4.99%^(a) has underperformed the benchmark's return of 5.61% by 0.62%.

As compared with the financial year ended 31 August 2023, the net asset value ("NAV") per unit of the Fund increased by 5.32% from RM0.2162 to RM0.2277, while units in circulation increased by 13.92% from 49,472,862 units to 56,357,743 units.

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

The following line chart shows comparison between the annual performances of AmDynamic Allocator and its benchmark, AMBB, for the financial years ended 31 August.

	<div><div><div><div><div><div></div><div>Total Return (%)</div></div><div><div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div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Cross Trades	There were no cross trades undertaken during the financial year under review.
Distribution/ unit splits	There is no income distribution and 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	<p>During the period, 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> <p>The company has soft commission arrangement with a total of 11 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>The global equity market started the financial year with cautious mode. The S&P 500 Index declined 4.9% and 2.2% in September and October 2023, respectively, as the Fed signaled that it could keep interest rates higher for longer, while the updated dot plot of economic and rate projections was significantly more hawkish than anticipated.</p> <p>After the selloffs, the global equity markets rebounded strongly in November and December 2023. The S&P 500 Index jumped 8.9% in November, followed by another 4.4% in December, buoyed by a plunge in Treasury bond yield after an underwhelming PMI manufacturing number, a higher-than-expected unemployment rate, as well as optimism following the Fed's signal to end its rate-hiking campaign, paving the way for rate cuts in 2024.</p> <p>Moving into 2024, the global equity market continued the positive momentum, with S&P500 registering a gain of 10.2% for the first quarter of 2024. The strong performance was supported by technology stocks related to artificial intelligence (AI), while the Fed's forecast of looser monetary policy by end 2024 also helped the sentiment. Economic data was also favorable in the US, with Q4 GDP expanding 3.4% versus the initial 2% consensus, while core inflation continued to trend lower in January and February 2024.</p> <p>In April, S&P declined 4.16%, breaking the streak of five consecutive months of gains, due to reigniting concerns about the impact of rising inflationary pressures and the potential for a prolonged restrictive monetary policy by the Fed. The decline, however, was short-lived, with S&P 500 gaining consecutively for the next four months on favorable economic datas and rate-cut hopes. As a result, the S&P 500 Index closed at 5,648.40 points, registering a gain of +25.3% (+16.7% in Ringgit terms) over the financial year under review.</p>

Market Outlook	<p>With the start of the Fed rate-cutting cycle, emerging markets will be beneficiaries of US Dollar softness and the return of foreign fund flows into Emerging Markets. Encouraging economic data in the US which raised prospects of a soft landing for its economy, coupled with China's stimulus combo and call for stronger stimulus for markets should provide positive support to equities.</p> <p>However, the path could be volatile. In the near term, US Presidential Election in November 2024 will be the limelight, given the uncertainties with regards to policies proposals and differences amid the tight race. Additionally, geopolitical uncertainties and energy price volatilities amid the escalating conflict in Middle East could impact appetite for risky assets.</p> <p>The portfolio will continue to adopt a barbell strategy to balance value/ growth versus defensiveness, as well as the focus on geographies and sectors.</p>
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Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 October 2024

Independent auditors' report to the unit holders of AmDynamic Allocator

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmDynamic Allocator (the "Fund"), which comprise the statement of financial position as at 31 August 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

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

**Independent auditors' report to the unit holders of
AmDynamic Allocator (cont'd.)**

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditors' report to the unit holders of
AmDynamic Allocator (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
AmDynamic Allocator (cont'd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 October 2024

AmDynamic Allocator**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024**

	Note	2024 RM	2023 RM
ASSETS			
Investments	4	12,651,491	10,282,661
Amount due from Manager	5(a)	460	28,119
Amount due from brokers	6	-	50,145
Deposit with licensed financial institution	7	-	140,023
Tax recoverable		19,086	-
Cash at banks		294,508	262,645
TOTAL ASSETS		12,965,545	10,763,593
LIABILITIES			
Amount due to Manager	5(b)	17,094	47,302
Amount due to brokers	6	103,570	-
Amount due to Trustee	8	847	849
Tax payable		-	8,049
Sundry payables and accruals		13,291	13,307
TOTAL LIABILITIES		134,802	69,507
NET ASSETS VALUE ("NAV") OF THE FUND		12,830,743	10,694,086
EQUITY			
Unit holders' capital	10(a)	9,029,880	7,404,100
Retained earnings	10(b)(c)	3,800,863	3,289,986
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	12,830,743	10,694,086
UNITS IN CIRCULATION	10(a)	56,357,743	49,472,862
NAV PER UNIT (RM)		0.2277	0.2162

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

AmDynamic Allocator

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

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Distribution income		182,545	176,205
Interest income		11,644	3,560
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	698,941	894,507
Other net realised losses on foreign currency exchange		(127,562)	(72,866)
		<u>765,568</u>	<u>1,001,406</u>
EXPENDITURE			
Manager’s fee	5	(143,734)	(119,192)
Trustee’s fee	8	(10,000)	(10,000)
Audit fee		(7,000)	(7,000)
Tax agent’s fee		(18,711)	(18,010)
Brokerage and other transaction fees		(13,719)	(3,986)
Custodian’s fee		(15,489)	(8,067)
Other expenses		(6,925)	(6,883)
		<u>(215,578)</u>	<u>(173,138)</u>
Net income before taxation		549,990	828,268
Taxation	12	<u>(39,113)</u>	<u>(61,117)</u>
Net income after taxation, representing total comprehensive income for the financial year		<u>510,877</u>	<u>767,151</u>
Total comprehensive income comprises the following:			
Realised income		743,214	172,065
Unrealised (loss)/gain		(232,337)	595,086
		<u>510,877</u>	<u>767,151</u>
Distribution for the financial year			
Net distribution	13	<u>-</u>	<u>170,711</u>
Gross distribution per unit (sen)	13	<u>-</u>	<u>0.42</u>
Net distribution per unit (sen)	13	<u>-</u>	<u>0.35</u>

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

AmDynamic Allocator**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 September 2023		7,404,100	3,289,986	10,694,086
Total comprehensive income for the financial year		-	510,877	510,877
Creation of units	10(a)	5,358,416	-	5,358,416
Cancellation of units	10(a)	(3,732,636)	-	(3,732,636)
Balance at 31 August 2024		<u>9,029,880</u>	<u>3,800,863</u>	<u>12,830,743</u>
At 1 September 2022		8,226,959	2,693,546	10,920,505
Total comprehensive income for the financial year		-	767,151	767,151
Creation of units	10(a)	655,303	-	655,303
Reinvestment of distribution	10(a)	170,711	-	170,711
Cancellation of units	10(a)	(1,648,873)	-	(1,648,873)
Distribution	13	-	(170,711)	(170,711)
Balance at 31 August 2023		<u>7,404,100</u>	<u>3,289,986</u>	<u>10,694,086</u>

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

AmDynamic Allocator**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		4,893,755	3,154,525
Purchases of investments		(6,532,028)	(1,865,354)
Distributions received		150,616	143,691
Interest received		11,644	3,560
Manager's fee paid		(141,353)	(119,655)
Trustee's fee paid		(10,002)	(10,055)
Tax agent's fee paid		(18,711)	(18,010)
Custodian's fee paid		(15,489)	(8,067)
Tax paid		(39,783)	(28,389)
Payments for other expenses		(27,659)	(20,800)
Net cash (used in)/generated from operating and investing activities		<u>(1,729,010)</u>	<u>1,231,446</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		5,386,075	627,184
Payments for cancellation of units		(3,765,225)	(1,639,854)
Net cash generated from/(used in) financing activities		<u>1,620,850</u>	<u>(1,012,670)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(108,160)	218,776
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>402,668</u>	<u>183,892</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>294,508</u>	<u>402,668</u>
Cash and cash equivalents comprise:			
Deposit with licensed financial institution	7	-	140,023
Cash at banks		294,508	262,645
		<u>294,508</u>	<u>402,668</u>

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

AmDynamic Allocator

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

1. GENERAL INFORMATION

AmDynamic Allocator (the “Fund”) was established pursuant to a Deed dated 8 September 2011 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to achieve capital growth over the medium to long term and at the same time provide income by investing primarily in collective investment schemes (“CIS”). As provided in the Deeds, the financial year shall end on 31 August and the units in the Fund were first offered for sale on 23 April 2012.

The financial statements were authorised for issue by the Manager on 18 October 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

Standards effective during the financial year

The adoption of the following MFRS and amendments to MFRS which became effective during the financial year did not have any material financial impact to the financial statements.

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

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

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

Standards issued but not yet effective

The new and amended standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	
Amendments to MFRS 9 <i>Financial Instruments</i>	
Amendments to MFRS 10 <i>Consolidated Financial Statements*</i>	
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

* These MFRS and Amendments to MFRSs are not relevant to the Fund.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Income recognition

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

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

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

3.1 Income recognition (cont'd.)

(i) Distribution income

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

(ii) Interest income

Interest income on short-term deposits are recognised on an accrual basis using the effective interest method.

(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.

3.4 Foreign currency transactions

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

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

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

3.5 Statement of cash flows

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

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

3.6 Distribution

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from 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.

3.7 Unit holders' capital

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

3.8 Financial instruments - initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(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 asset. 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 AUGUST 2024**

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

3.8 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.

3.9 Financial assets

Classification and measurement

The classification of financial assets depends on the Fund's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

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

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

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

3.9 Financial assets (cont'd.)

Classification and measurement (cont'd.)

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

Financial assets at 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". Distribution revenue and interest earned elements of such instruments are recorded separately in "Distribution income" and "Interest income" respectively. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

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

The Fund subsequently measures its investments in Collective Investment Schemes ("CIS") at FVTPL. Distributions 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.

3.10 Financial liabilities - classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the 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.

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

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

3.11 Derecognition of financial instruments

(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.

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

(ii) Derecognition of financial liability

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

3.12 Financial instruments – expected credit losses (“ECL”)

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

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

3.13 Determination of fair value

For investments in 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. The difference between the purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

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

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

3.14 Classification of realised and unrealised gains and losses

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

3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

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

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

4. INVESTMENTS

	2024	2023
	RM	RM
Financial assets at FVTPL		
Unquoted CIS - local	2,421,674	2,438,913
Exchange traded funds - foreign	10,229,817	7,843,748
	<u>12,651,491</u>	<u>10,282,661</u>

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

4. INVESTMENTS (CONT'D.)

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

Name of trust/exchange traded funds	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Unquoted CIS - local				
AmBalanced*	166,962	234,148	212,979	1.82
AmCumulative Growth*	286,005	250,341	277,922	1.95
AmDynamic Bond*	877,280	645,678	575,671	5.03
AmIslamic Global SRI*	1,139,800	1,291,507	1,139,040	10.07
Total unquoted CIS - local	2,470,047	2,421,674	2,205,612	18.87
Exchange traded funds - foreign				
Germany				
iShares Core EURO STOXX 50 UCITS ETF	700	168,543	165,186	1.31
Total in Germany	700	168,543	165,186	1.31
Hong Kong				
Global X China Clean Energy ETF	2,950	121,329	183,248	0.94
iShares Core MSCI Asia ex Japan ETF	14,216	437,173	412,020	3.41
iShares Core SENSEX India ETF	9,800	229,233	233,665	1.79
Total in Hong Kong	26,966	787,735	828,933	6.14
Ireland				
iShares Edge MSCI World Momentum Factor UCITS ETF	1,156	389,053	252,371	3.03
iShares Edge MSCI World Quality Factor UCITS ETF	853	258,379	191,928	2.02
iShares Edge MSCI World Value Factor UCITS ETF	981	187,512	171,230	1.46
iShares MSCI EMU Large Cap UCITS ETF	1,356	374,903	312,466	2.92
iShares MSCI EMU Mid Cap UCITS ETF	1,422	359,985	306,179	2.81
Total in Ireland	5,768	1,569,832	1,234,174	12.24

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

4. INVESTMENTS (CONT'D.)

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

Exchange traded funds	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Exchange traded funds - foreign (cont'd.)				
Japan				
Daiwa ETF-Nikkei 225 ETF	286	336,223	281,413	2.62
Total in Japan	286	336,223	281,413	2.62
Taiwan				
Fubon Taiwan Technology Tracker Fund	15,000	359,011	332,717	2.80
Yuanta/P-shares Taiwan Dividend Plus ETF	93,712	493,845	341,286	3.85
Yuanta/P-shares Taiwan Top 50 ETF	13,960	341,560	242,441	2.66
Total in Taiwan	122,672	1,194,416	916,444	9.31
United States				
Amplify Cybersecurity ETF	1,610	469,815	380,497	3.66
Consumer Staples Select Sector SPDR	664	236,569	225,445	1.84
iShares 20 Year Treasury Bond ETF	1,450	604,133	655,739	4.71
iShares Barclays 7-10 Year Treasury Bond Fund	1,030	431,723	452,779	3.36
iShares Global Comm Services ETF	1,003	387,164	330,005	3.02
iShares Global Consumer Discretionary ETF	100	71,869	56,442	0.56
iShares Global Tech ETF	1,300	456,650	403,219	3.56
iShares MSCI China ETF	2,210	399,175	456,823	3.11
iShares US Healthcare ETF	1,490	427,077	398,189	3.33
Vanguard 500 Index Fund	240	536,855	516,779	4.19
Vanguard Consumer Staples Index Fund	358	336,237	308,946	2.62

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

4. INVESTMENTS (CONT'D.)

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

Exchange traded funds	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Exchange traded funds - foreign (cont'd.)				
United States (cont'd.)				
Vanguard Long-Term Treasury ETF	1,910	498,966	614,292	3.89
Vanguard S&P 500 Growth ETF	390	566,016	289,094	4.41
Vanguard S&P 500 Value ETF	317	259,608	209,019	2.02
Vanguard S&P Mid-Cap 400 Growth ETF	200	97,958	90,409	0.76
Vanguard S&P Mid-Cap 400 Index ETF	200	90,471	72,095	0.71
Vanguard S&P Mid-Cap 400 Value ETF	200	81,757	54,394	0.64
Vanguard S&P Small-Cap 600 Growth ETF	200	102,768	87,284	0.80
Vanguard S&P Small-Cap 600 ETF	255	118,257	100,464	0.92
Total in United States	15,127	6,173,068	5,701,914	48.11
Total exchange traded funds - foreign	171,519	10,229,817	9,128,064	79.73
Total financial assets at FVTPL	2,641,566	12,651,491	11,333,676	98.60
Excess of fair value over purchased cost		1,317,815		

* These CIS are managed by the Manager.

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

5. AMOUNT DUE TO MANAGER

	Note	2024 RM	2023 RM
(a) Due from Manager			
Creation of units	(i)	<u>460</u>	<u>28,119</u>
(b) Due to Manager			
Cancellation of units	(ii)	3,051	35,640
Manager's fee payable	(iii)	<u>14,043</u>	<u>11,662</u>
		<u>17,094</u>	<u>47,302</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 previous and current financial years for creation and redemption of units is three business days.

(iii) Manager's fee is at a rate of 1.50% (2023: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis. As the Fund invested in unquoted CIS, the Manager's fee related to unquoted CIS has been charged by the Manager, accordingly, and can only be charged once in accordance with the Securities Commission Malaysia's Guidelines on Unit Trust Funds. As at 31 August 2024 and 31 August 2023, there is no double charging of Manager's fee.

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

6. AMOUNT DUE FROM/TO BROKERS

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

7. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION

	2024 RM	2023 RM
At nominal value:		
Short-term deposit	<u>-</u>	<u>140,000</u>
At carrying value:		
Short-term deposit	<u>-</u>	<u>140,023</u>

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

7. 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	
	2024	2023	2024	2023
	%	%	Day	Day
Short-term deposit	-	3.00	-	1

8. AMOUNT DUE TO TRUSTEE

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

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

9. NET GAINS FROM INVESTMENTS

	2024	2023
	RM	RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	753,856	141,627
– Net realised gains on foreign currency exchange	177,422	157,794
– Net unrealised gains on changes in fair value of investments	565,573	416,790
– Net unrealised (loss)/gain on foreign currency fluctuation of investments denominated in foreign currency	(797,910)	178,296
	<u>698,941</u>	<u>894,507</u>

10. TOTAL EQUITY

Total equity is represented by:

	Note	2024	2023
		RM	RM
Unit holders' capital	(a)	9,029,880	7,404,100
Retained earnings			
– Realised income	(b)	2,483,048	1,739,834
– Unrealised gains	(c)	1,317,815	1,550,152
		<u>12,830,743</u>	<u>10,694,086</u>

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

10. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/Units in circulation

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	49,472,862	7,404,100	53,497,438	8,226,959
Creation during the financial year	23,406,628	5,358,416	3,125,815	655,303
Reinvestment of distribution	-	-	796,969	170,711
Cancellation during the financial year	(16,521,747)	(3,732,636)	(7,947,360)	(1,648,873)
At end of the financial year	<u>56,357,743</u>	<u>9,029,880</u>	<u>49,472,862</u>	<u>7,404,100</u>

(b) Realised - distributable

	2024 RM	2023 RM
At beginning of the financial year	1,739,834	1,738,480
Net realised income for the financial year	743,214	172,065
Distribution out of realised income (Note 13)	-	(170,711)
At end of the financial year	<u>2,483,048</u>	<u>1,739,834</u>

(c) Unrealised - non-distributable

	2024 RM	2023 RM
At beginning of the financial year	1,550,152	955,066
Net unrealised (loss)/gain for the financial year	(232,337)	595,086
At end of the financial year	<u>1,317,815</u>	<u>1,550,152</u>

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

11. 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 August 2024 and 31 August 2023.

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

	2024 RM	2023 RM
(i) Significant related party transactions		
<u>AmFunds Management Berhad</u> Distribution income	<u>5,464</u>	<u>11,649</u>
(ii) Significant related party balance		
<u>AmBank (M) Berhad</u> Cash at bank	<u>832</u>	<u>874</u>

12. TAXATION

	2024 RM	2023 RM
Local tax		
- current year provision	12,597	36,282
- under/(over) provision	51	(3,856)
Foreign tax	<u>26,465</u>	<u>28,691</u>
	<u>39,113</u>	<u>61,117</u>

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

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

12. TAXATION (CONT'D.)

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

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

The taxation charged for the financial year is related to withholding tax derived from countries including Germany, Hong Kong, Japan, Taiwan and United States calculated at the rates prevailing in these countries.

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:

	2024 RM	2023 RM
Net income before taxation	<u>549,990</u>	<u>828,268</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	131,998	198,784
Tax effects of:		
Income not subject to tax	(363,171)	(191,517)
Losses not allowed for tax deduction	222,113	19,182
Restriction on tax deductible expenses for unit trust fund	32,559	27,257
Non-permitted expenses for tax purposes	15,563	11,267
Under/(over) provision in prior financial year	51	(3,856)
Tax expense for the financial year	<u>39,113</u>	<u>61,117</u>

13. DISTRIBUTION

No distribution has been declared to unit holders during the current financial year.

Distribution to unit holders for the previous financial year is from the following sources:

	2023 RM
Gross distribution per unit (sen)	<u>0.42</u>
Net distribution per unit (sen)	<u>0.35</u>

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

13. DISTRIBUTION (CONT'D.)

Distribution to unit holders for the previous financial year is from the following sources:
(cont'd.)

Financial year ended 31 August 2023

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
23 August 2023	0.42	0.35	170,711

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.

14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2024 % p.a.	2023 % p.a.
Manager's fee	1.19	1.14
Trustee's fee	0.08	0.10
Fund's other expenses	0.41	0.38
Total TER	1.68	1.62

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 0.48 times (2023: 0.25 times).

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

16. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund's investments are made in the form of CIS. 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 on geographical segments.

17. TRANSACTIONS WITH THE MANAGER AND BROKERS

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

	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Instinet Clearing Services				
Jersey City	3,451,965	29.73	1,022	7.45
Citibank National Association	3,097,861	26.68	1,038	7.57
Masterlink Securities Co. Ltd	1,215,639	10.47	4,168	30.38
Instinet Europe Limited	1,095,056	9.43	2,738	19.96
Daiwa Capital Markets				
America Inc	866,702	7.46	1,306	9.52
Instinet Pacific Limited				
Hong Kong Branch	654,228	5.63	1,691	12.33
AmFunds Management Berhad*	400,604	3.45	-	-
Daiwa Securities SMBC				
Hong Kong Ltd	380,136	3.27	743	5.41
BNP Paribas Securities				
Services SA	225,133	1.94	563	4.10
Macquarie Securities (Australia) Limited	224,910	1.94	450	3.28
	11,612,234	100.00	13,719	100.00

* 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.

The above transactions are in respect of listed equity securities and unquoted CIS. Transactions in unquoted CIS do not involve any commission or brokerage fee.

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

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
2024				
Financial assets				
Investments	12,651,491	-	-	12,651,491
Amount due from Manager	-	460	-	460
Cash at banks	-	294,508	-	294,508
Total financial assets	12,651,491	294,968	-	12,946,459
Financial liabilities				
Amount due to Manager	-	-	17,094	17,094
Amount due to brokers	-	-	103,570	103,570
Amount due to Trustee	-	-	847	847
Total financial liabilities	-	-	121,511	121,511
2023				
Financial assets				
Investments	10,282,661	-	-	10,282,661
Amount due from Manager	-	28,119	-	28,119
Amount due from brokers	-	50,145	-	50,145
Deposit with licensed financial institution	-	140,023	-	140,023
Cash at banks	-	262,645	-	262,645
Total financial assets	10,282,661	480,932	-	10,763,593
Financial liabilities				
Amount due to Manager	-	-	47,302	47,302
Amount due to Trustee	-	-	849	849
Total financial liabilities	-	-	48,151	48,151

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

18. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Income, expenses, gains and losses	
	2024 RM	2023 RM
Net gains from financial assets at FVTPL	698,941	894,507
Income, of which derived from:		
– Distribution income from financial assets at FVTPL	182,545	176,205
– Interest income from financial assets at amortised cost	11,644	3,560
– Other net realised losses on foreign currency exchange	(127,562)	(72,866)

(b) Financial instruments that are carried at fair value

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial assets at FVTPL	10,229,817	2,421,674	-	12,651,491
2023				
Financial assets at FVTPL	7,843,748	2,438,913	-	10,282,661

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

18. 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/to brokers
- Deposit with licensed financial institution
- Cash at banks
- Amount due to Trustee

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

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, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to 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) 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 investments portfolio.

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

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

(a) Market risk (cont'd.)

(i) Price risk (cont'd.)

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	
	2024 RM	2023 RM
-5.00%	(632,575)	(514,133)
+5.00%	<u>632,575</u>	<u>514,133</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 institutions 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, theoretical value	
	2024 RM	2023 RM
+100bps	-	(4)
-100bps	<u>-</u>	<u>4</u>

(iii) Currency risk

Currency risk is associated with the Fund's financial assets and financial liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

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

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

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency.

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(514,458)	(400,227)
+5.00%	514,458	400,227

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

Financial assets/ (liability) denominated in	2024	% of NAV	2023	% of NAV
	RM equivalent		RM equivalent	
Euro				
Investments	1,738,375	13.55	1,276,972	11.94
Cash at bank	5	-*	1	-*
	<u>1,738,380</u>	<u>13.55</u>	<u>1,276,973</u>	<u>11.94</u>
Hong Kong Dollar				
Investments	<u>787,735</u>	<u>6.14</u>	<u>361,804</u>	<u>3.38</u>
Japanese Yen				
Investments	<u>336,223</u>	<u>2.62</u>	<u>361,934</u>	<u>3.39</u>
New Taiwan Dollar				
Investments	1,194,416	9.31	853,035	7.98
Cash at bank	159,535	1.25	157,167	1.47
Amount due to brokers	(103,570)	(0.81)	-	-
	<u>1,250,381</u>	<u>9.75</u>	<u>1,010,202</u>	<u>9.45</u>
United States Dollar				
Investments	6,173,068	48.11	4,990,003	46.66
Cash at bank	3,372	0.03	3,622	0.03
	<u>6,176,440</u>	<u>48.14</u>	<u>4,993,625</u>	<u>46.69</u>

* represents less than 0.01%.

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

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. Credit risk applies to short-term deposits and distribution receivables. The issuer of such instruments may not be able to fulfil the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investments to fluctuate in value.

For deposits with licensed financial institutions, the Fund makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

(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 asset. 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 Manger 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.

(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.

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

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

(f) Country risk

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

(g) Management risk

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

(h) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed and its Supplemental Deed, 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.

AmDynamic Allocator

STATEMENT BY THE MANAGER

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmDynamic Allocator (the “Fund”) as at 31 August 2024 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

18 October 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AMDYNAMIC ALLOCATOR ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 August 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
18 October 2024

DIRECTORY

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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.)*

