

Annual Report for **AmDynamic Bond**

31 July 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 AmDynamic Bond ("Fund") for the financial year ended 31 July 2026.

Salient Information of the Fund

Name	AmDynamic Bond ("Fund")
Category/ Type	Bond / Income
Objective	AmDynamic Bond is a medium to long-term bond fund with potentially higher level of income* and risk. <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>
Duration	The Fund was established on 16 September 2003 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
Performance Benchmark	BPAM Corporates All Bond Index (Available at www.aminvest.com). <i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark.</i>
Income Distribution Policy	Subject to the availability of income, distribution will be made at least twice every year. At the Manager's discretion, the Fund may distribute from its gain, income and capital. The rationale for distribution out of capital is to allow the Fund the ability to (i) distribute income on a regular basis in accordance with the distribution policy of the Fund or (ii) increase the amount of distributable income to the Unit Holders, after taking into consideration the risk of distributing out of capital. Distribution out of the Fund's capital has the effect of lowering the NAV of the Fund, may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to the Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 July are as follows:			
		As at 31 July		
		2026 %	2025 %	2024 %
	Foreign corporate bonds	-	7.84	5.56
	Foreign Government bond	-	-	1.11
	Government Investment Issue	-	1.44	4.97
	Local corporate bonds	89.53	83.62	80.60
	Money market deposits and cash equivalents	10.47	7.10	7.76
	Total	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 July are as follows:			
		FYE 2026	FYE 2025	FYE 2024
	Net asset value (RM)	116,425,028	106,503,339	105,885,838
	Units in circulation	163,977,130	145,041,013	143,834,971
	Net asset value per unit (RM)	0.7100	0.7343	0.7361
	Highest net asset value per unit (RM)	0.7396	0.7374	0.7361
	Lowest net asset value per unit (RM)	0.7040	0.7152	0.6970
	Benchmark performance (%)	3.05	5.45	5.90
	Total return (%) ⁽¹⁾	2.79	5.10	6.10
	- Capital growth (%)	-3.20	-0.04	5.61
	- Income distributions (%)	5.99	5.14	0.49
	Gross distributions (RM sen per unit)	4.4239	3.8410	0.3439
	Net distributions (RM sen per unit)	4.4006	3.7858	0.3400
	Total expense ratio (%) ⁽²⁾	1.13	1.06	1.06
	Portfolio turnover ratio (times) ⁽³⁾	0.61	0.45	0.46
	<i>Note:</i>			
	(1) Total return is the actual return of the Fund for the respective financial years computed based on net asset value per unit and net of all fees. Total return is calculated based on the published NAV/unit (last business day).			
	(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 0.07% as compared to 1.06% per annum for the financial year ended 31 July 2025 mainly due to increase in expenses.			
	(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 PTR for 2026 and decrease in 2025 were due mainly to investing activities.			

Average Total Return (as at 31 July 2026)

	AmDynamic Bond^(a) %	Benchmark^{(b)**} %
One year	2.79	3.05
Three years	4.65	4.79
Five years	4.05	4.25
Ten years	4.89	4.73

Annual Total Return

Financial Years Ended (31 July)	AmDynamic Bond^(a) %	Benchmark^{(b)**} %
2026	2.79	3.05
2025	5.10	5.45
2024	6.10	5.90
2023	6.34	6.71
2022	0.08	0.30

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

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

- ** Benchmark**
- From 16 September 2003 until 30 September 2016 - All Malaysian Government Securities Index.
 - from 1 October 2016 onwards - BPAM Corporates All Bond Index.

The Fund performance is calculated based on 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.

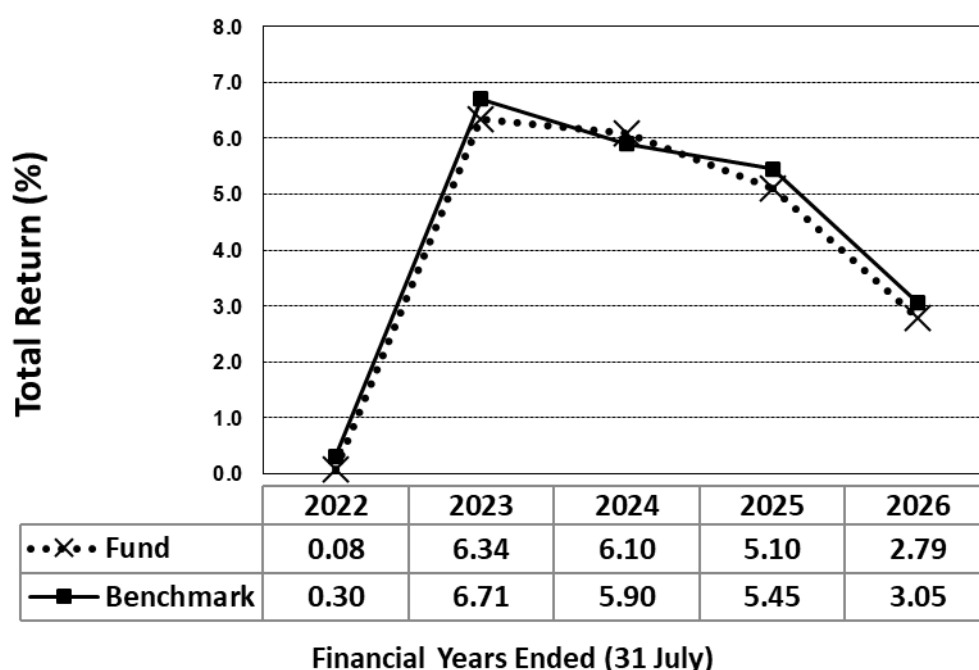
Fund Performance

For the financial year under review, the Fund registered a return of 2.79% comprising of negative 3.20% capital and 5.99% income distributions.

Thus, the Fund's return of 2.79% has underperformed the benchmark's return of 3.05% by 0.26%.

As compared with the financial year ended 31 July 2025, the net asset value ("NAV") per unit of the Fund decreased by 3.31% from RM0.7343 to RM0.7100, while units in circulation increased by 13.06% from 145,041,013 units to 163,977,130 units.

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



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

Strategies and Policies Employed

For the financial year under review, the Fund invested primarily in debt securities/ bonds and by active portfolio trading.

The Fund's investment maturity profile is subject to active tactical duration management in view of the interest rate view.

Portfolio Structure

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

	As at 31.07.2026 %	As at 31.07.2025 %	Changes %
Foreign corporate bonds	-	7.84	-7.84
Government Investment Issue	-	1.44	-1.44
Local corporate bonds	89.53	83.62	5.91
Money market deposits and cash equivalents	10.47	7.10	3.37
Total	100.00	100.00	

For the financial year under review, the Fund invested 89.53% of its NAV in local corporate bonds, while remaining 10.47% was held 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 Trades

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

Distributions/ unit splits	During the financial year under review, the Fund declared distributions, detailed as follows: <table><tr><th>Date of distributions</th><th>Distributions per unit RM (sen)</th><th>NAV per unit Cum-Distributions (RM)</th><th>NAV per unit Ex-Distributions (RM)</th></tr><tr><td>24-Sep-25</td><td>2.9244</td><td>0.7394</td><td>0.7102</td></tr><tr><td>8-Apr-26</td><td>1.4762</td><td>0.7188</td><td>0.7040</td></tr></table> There is no unit split declared for the financial year under review.	Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)	24-Sep-25	2.9244	0.7394	0.7102	8-Apr-26	1.4762	0.7188	0.7040
Date of distributions	Distributions per unit RM (sen)	NAV per unit Cum-Distributions (RM)	NAV per unit Ex-Distributions (RM)										
24-Sep-25	2.9244	0.7394	0.7102										
8-Apr-26	1.4762	0.7188	0.7040										
State of Affairs	There were no significant changes to the state of affairs of the Fund, nor were there any circumstances that materially affected the interests of the unitholders during the financial year under review.												
Rebates and Soft Commission	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.												
Market Review	The Malaysian bond market experienced significant volatility during the year under review, driven by shifting monetary policy expectations, geopolitical developments, and global interest rate movements. In the third quarter of 2025, Bank Negara Malaysia's (BNM) 25 basis points (bps) Overnight Policy Rate (OPR) cut to 2.75% supported a rally in government bonds, particularly at the longer end of the curve. While investors initially positioned for further monetary easing, sentiment turned more cautious in September amid profit-taking activities and a weak 15-year Malaysian Government Securities (MGS) auction. Nevertheless, the bond market ended 2025 on a strong footing, supported by resilient economic growth, stable monetary policy, robust foreign inflows, favourable liquidity conditions, and limited bond supply. Market conditions became more challenging in early 2026 as geopolitical tensions, particularly the escalation of the United States (US)-Israel-Iran conflict, and uncertainty surrounding global interest rate expectations weighed on investor sentiment. Concerns over higher energy prices and renewed inflationary pressures triggered a broad sell-off in global bond markets, leading to foreign outflows and higher yields in the domestic bond market. During the second quarter of 2026, MGS yields continued to trend higher amid persistent geopolitical risks, elevated energy prices, and evolving global rate expectations. Despite weaker sentiment, demand for sovereign bond and sukuk issuances remained healthy, supported by Malaysia's sound macroeconomic fundamentals and strong domestic institutional investor base. The upward pressure on yields persisted into July 2026, as uncertainty surrounding the US Federal Reserve's (Fed) policy outlook and local political developments weighed on market sentiment. Looking ahead, the near-term risk to MGS and Government Investment Issue (GII) yields remains tilted modestly to the upside amid resilient economic growth, elevated money market rates, continued sovereign bond supply, and lingering fiscal uncertainties.												

Market Outlook	Malaysia's macroeconomic backdrop remains broadly supportive heading into August 2026, although conditions in the local bond market have become more challenging following the sharp sell-off observed in July 2026. Domestic growth continues to be underpinned by resilient private consumption, sustained investment activity and ongoing implementation of government development initiatives. Recent communications from Bank Negara Malaysia (BNM) suggest that economic growth may track towards the upper end of the official 4% - 5% forecast range, while inflation is expected to remain manageable within the 1.5% - 2.5% range. Against this backdrop, BNM maintained the Overnight Policy Rate (OPR) at 2.75% in July 2026 for a sixth consecutive meeting, although policymakers have acknowledged that future policy decisions will remain data dependent. Inflation remains largely contained amid moderate cost pressures and stable domestic demand conditions. However, the strength of domestic activity, together with tighter money market conditions, warrants close monitoring. Notably, the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR) has risen to approximately 3.46%, its highest level in a year and around 70bps above the OPR, suggesting that money markets are increasingly pricing in the possibility of tighter monetary conditions ahead. While BNM has not explicitly shifted to a hawkish stance, the balance of risks has become less accommodative than earlier in the year.
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Kuala Lumpur, Malaysia
AmFunds Management Berhad

21 September 2026

Independent auditors' report to the unit holders of AmDynamic Bond

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmDynamic Bond (the "Fund"), which comprise the statement of financial position of the Fund as at 31 July 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 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 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 AmDynamic Bond (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 the 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 AmDynamic Bond (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
AmDynamic Bond (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. 03276/07/2028 J
Chartered Accountant

Kuala Lumpur, Malaysia
21 September 2026

AmDynamic Bond**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2026**

	Note	2026 RM	2025 RM
ASSETS			
Investments	4	104,229,718	98,942,671
Deposit with licensed financial institution	5	12,260,957	5,029,393
Amount due from Manager	6(a)	489	2,526,288
Sundry receivable		997	311
Tax recoverable		72,800	39,217
Cash at banks		147,535	132,692
TOTAL ASSETS		116,712,496	106,670,572
LIABILITIES			
Amount due to Manager	6(b)	260,430	147,544
Amount due to Trustee	7	3,965	3,489
Sundry payables and accruals		23,073	16,200
TOTAL LIABILITIES		287,468	167,233
NET ASSET VALUE ("NAV") OF THE FUND		116,425,028	106,503,339
EQUITY			
Unit holders' capital	9(a)	107,338,576	93,561,809
Retained earnings	9(b)(c)	9,086,452	12,941,530
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	116,425,028	106,503,339
UNITS IN CIRCULATION	9(a)	163,977,130	145,041,013
NAV PER UNIT (RM)		0.7100	0.7343

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

AmDynamic Bond**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2026**

	Note	2026 RM	2025 RM
INVESTMENT INCOME			
Interest income		5,050,929	4,874,796
Other income	9(a)	137,403	322,494
Net (loss)/gain from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	(830,672)	937,130
Other net realised (loss)/gain on foreign currency exchange		(9,816)	29,092
		<u>4,347,844</u>	<u>6,163,512</u>
EXPENDITURE			
Management fee	6	(1,127,608)	(1,026,083)
Trustee’s fee	7	(45,104)	(41,043)
Audit fee		(8,500)	(7,000)
Tax agent’s fee		(5,300)	(4,600)
Custodian’s fee		(950)	(2,761)
Other expenses		(86,496)	(7,484)
		<u>(1,273,958)</u>	<u>(1,088,971)</u>
Net income before taxation		3,073,886	5,074,541
Taxation	11	<u>(9,379)</u>	<u>(13,906)</u>
Net income after taxation, representing total comprehensive income for the financial year		<u>3,064,507</u>	<u>5,060,635</u>
Total comprehensive income comprises the following:			
Realised income		4,611,410	4,635,773
Unrealised (loss)/gain		<u>(1,546,903)</u>	<u>424,862</u>
		<u>3,064,507</u>	<u>5,060,635</u>
Distributions for the financial year			
Net distributions	12	<u>6,919,585</u>	<u>5,240,891</u>
Gross distributions per unit (sen)	12	<u>4.4239</u>	<u>3.8410</u>
Net distributions per unit (sen)	12	<u>4.4006</u>	<u>3.7858</u>

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

AmDynamic Bond**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2026**

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 August 2025		93,561,809	12,941,530	106,503,339
Total comprehensive income for the financial year		-	3,064,507	3,064,507
Creation of units	9(a)	19,551,347	-	19,551,347
Reinvestment of distributions	9(a)	6,899,831	-	6,899,831
Cancellation of units	9(a)	(12,674,411)	-	(12,674,411)
Distributions	12	-	(6,919,585)	(6,919,585)
Balance at 31 July 2026		<u>107,338,576</u>	<u>9,086,452</u>	<u>116,425,028</u>
At 1 August 2024		92,764,052	13,121,786	105,885,838
Total comprehensive income for the financial year		-	5,060,635	5,060,635
Creation of units	9(a)	28,098,304	-	28,098,304
Reinvestment of distributions	9(a)	5,223,896	-	5,223,896
Cancellation of units	9(a)	(32,524,443)	-	(32,524,443)
Distributions	12	-	(5,240,891)	(5,240,891)
Balance at 31 July 2025		<u>93,561,809</u>	<u>12,941,530</u>	<u>106,503,339</u>

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

AmDynamic Bond**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2026**

	Note	2026 RM	2025 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		64,689,304	45,710,706
Purchases of investments		(70,874,470)	(46,005,131)
Interest received		5,108,560	4,855,422
Other income received		136,717	322,766
Management fee paid		(1,116,973)	(1,024,433)
Trustee's fee paid		(44,628)	(41,090)
Tax agent's fee paid		(9,200)	-
Custodian's fee paid		(950)	(2,761)
Tax paid		(39,282)	(24,145)
Payments for other expenses		(87,903)	(14,673)
Net cash (used in)/generated from operating and investing activities		<u>(2,238,825)</u>	<u>3,776,661</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		22,077,146	25,622,521
Payments for cancellation of units		(12,572,160)	(32,478,216)
Distributions paid		(19,754)	(16,995)
Net cash generated from/(used in) financing activities		<u>9,485,232</u>	<u>(6,872,690)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,246,407	(3,096,029)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>5,162,085</u>	<u>8,258,114</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>12,408,492</u>	<u>5,162,085</u>
Cash and cash equivalents comprise:			
Deposit with licensed financial institution	5	12,260,957	5,029,393
Cash at banks		147,535	132,692
		<u>12,408,492</u>	<u>5,162,085</u>

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

AmDynamic Bond

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

1. GENERAL INFORMATION

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

The Fund was set up with the objective of providing investors a medium to long term bond fund with potentially higher level of income and risk. As provided in the Deeds, the financial year shall end on 31 July and the units in the Fund were first offered for sale on 16 September 2003.

The financial statements were authorised for issue by the Manager on 21 September 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 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 that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> 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>	1 January 2026
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 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.

These pronouncements are not expected to have any material impact on the financial statements of the Fund upon their initial application, other than MFRS 18. The Fund is currently assessing the impact of adopting MFRS 18.

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 JULY 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 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.

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.

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

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

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 interest income, other 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*.

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 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.

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

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

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.

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 Manager, amount due from Target Fund Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

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

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

3.9 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")

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.

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". 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.

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 JULY 2026**

3. MATERIAL ACCOUNTING POLICY INFORMATION (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 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.

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

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

3.13 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. For investments in foreign fixed income securities, fair value will be based on indicative prices provided by independent and reputable institutions plus accrued interest. 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.

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 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.

3.15 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.

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

4. INVESTMENTS

	2026 RM	2025 RM
Financial assets at FVTPL		
Fixed income securities - local	104,229,718	90,594,379
Fixed income securities - foreign	-	8,348,292
	<u>104,229,718</u>	<u>98,942,671</u>

Details of investments as at 31 July 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 %
Fixed income securities - local						
Corporate bonds						
21.12.2026	MBSB Bank Berhad	A	3,000,000	3,037,960	3,017,260	2.61
19.03.2027	IJM Land Berhad	A	10,000,000	10,347,332	10,240,269	8.89
28.03.2028	Qualitas Sukuk Berhad	AA	4,000,000	4,105,028	4,064,548	3.52
20.04.2028	UMW Holdings Berhad	AA	3,000,000	3,181,528	3,053,758	2.73
09.05.2031	UDA Holdings Berhad	AA	2,000,000	2,053,536	2,030,703	1.76
06.05.2032	UDA Holdings Berhad	AA	1,000,000	1,011,237	1,016,032	0.87
31.05.2032	GENM Capital Berhad	AA	13,500,000	14,063,218	13,620,013	12.08
30.06.2032	STM Lottery Sdn. Bhd.	AA	1,000,000	1,028,306	1,006,713	0.88

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

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 July 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 %
Fixed income securities - local (cont'd.)						
Corporate bonds (cont'd.)						
20.08.2032	Eco World Perpetual Capital Berhad	A	4,000,000	4,154,530	4,079,890	3.57
05.11.2032	Alliance Bank Malaysia Berhad	A	4,000,000	4,046,835	4,039,395	3.48
15.12.2032	IJM Land Berhad	A	5,000,000	5,064,284	5,042,015	4.35
23.06.2034	YTL Corporation Berhad	AAA	5,000,000	5,272,915	5,047,764	4.53
16.02.2035	Malakoff Power Berhad	AA	5,000,000	5,260,826	5,100,926	4.52
31.07.2036	Infracap Resources Sdn. Bhd.	AAA	5,000,000	5,000,549	5,000,549	4.29
11.11.2036	YTL Corporation Berhad	AAA	4,000,000	4,441,559	4,068,799	3.81
02.06.2037	TNB Power Generation Sdn. Bhd.	AAA	250,000	276,501	252,041	0.24
05.01.2038	Edra Energy Sdn. Bhd.	AA	5,000,000	6,192,599	5,156,704	5.32
21.03.2039	IJM Treasury Management Sdn. Bhd.	AA	7,000,000	7,320,469	7,277,895	6.29
27.04.2040	Sime Darby Property Berhad	AA	5,000,000	5,063,158	5,052,408	4.35

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

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 July 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 %
Fixed income securities - local (cont'd.)						
Corporate bonds (cont'd.)						
06.11.2040	PNB Merdeka Ventures Sdn. Bhd.	AAA	5,000,000	5,018,398	5,048,148	4.31
15.07.2041	CIMB Bank Berhad	AAA	2,000,000	1,999,903	2,003,903	1.72
02.06.2042	TNB Power Generation Sdn. Bhd.	AAA	500,000	567,283	504,203	0.49
06.10.2042	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	1,000,000	1,128,688	1,026,777	0.97
29.05.2046	Tenaga Nasional Berhad	AAA	2,500,000	2,559,243	2,518,893	2.20
10.03.2051	TNB Power Generation Sdn. Bhd.	AAA	2,000,000	2,033,833	2,033,613	1.75
Total corporate bonds			<u>99,750,000</u>	<u>104,229,718</u>	<u>101,303,219</u>	<u>89.53</u>
Total fixed income securities - local			<u>99,750,000</u>	<u>104,229,718</u>	<u>101,303,219</u>	<u>89.53</u>
Total financial assets at FVTPL				<u>104,229,718</u>	<u>101,303,219</u>	<u>89.53</u>
Excess of fair value over adjusted cost				<u>2,926,499</u>		

The weighted average effective yield on investments are as follows:

	Effective yield	
	2026 %	2025 %
Fixed income securities - local	2.92	4.06
Fixed income securities - foreign	<u>-</u>	<u>6.17</u>

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

4. INVESTMENTS (CONT'D.)

Analysis of the remaining maturities of investments as at 31 July 2026 and 31 July 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	13,000,000	9,000,000	77,750,000
2025			
At nominal value:			
Corporate bonds	-	25,400,000	57,250,000
Government Investment Issues	-	-	1,500,000
		1 year to 5 years USD	More than 5 years USD
2025			
At nominal value:			
Corporate bonds		1,000,000	900,000

5. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION

	2026 RM	2025 RM
At nominal value:		
Short-term deposit	12,260,000	5,029,000
At carrying value:		
Short-term deposit	12,260,957	5,029,393

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

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

Details of deposit with licensed financial institution for the current financial year are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
2026				
Short-term deposit				
03.08.2026	Malayan Banking Berhad	12,260,000	12,260,957	10.53

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	
	2026 %	2025 %	2026 Days	2025 Day
Short-term deposit	2.85	2.85	3	1

6. AMOUNT DUE FROM/TO MANAGER

	Note	2026 RM	2025 RM
(a) Due from Manager			
Creation of units	(i)	489	2,526,288
(b) Due to Manager			
Cancellation of units	(ii)	148,478	46,227
Management fee payable	(iii)	111,952	101,317
		260,430	147,544

(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 JULY 2026

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 (LOSS)/GAIN FROM INVESTMENTS

	2026 RM	2025 RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gains on sale of investments	1,436,093	618,680
– Net realised losses on foreign currency exchange	(719,862)	(106,412)
– Net unrealised (loss)/gain on changes in fair value of investments	(2,168,255)	946,506
– Net unrealised gain/(loss) on foreign currency fluctuation of investments denominated in foreign currency	621,352	(521,644)
	<u>(830,672)</u>	<u>937,130</u>

9. TOTAL EQUITY

Total equity is represented by:

	Note	2026 RM	2025 RM
Unit holders' capital	(a)	107,338,576	93,561,809
Retained earnings			
– Realised income	(b)	6,159,953	8,468,128
– Unrealised gains	(c)	2,926,499	4,473,402
		<u>116,425,028</u>	<u>106,503,339</u>

(a) Unit holders' capital/Units in circulation

	2026		2025	
	Number of units	RM	Number of units	RM
At beginning of the financial year	145,041,013	93,561,809	143,834,971	92,764,052
Creation during the financial year	27,018,937	19,551,347	38,920,423	28,098,304
Reinvestment of distributions	9,744,052	6,899,831	7,296,139	5,223,896
Cancellation during the financial year	<u>(17,826,872)</u>	<u>(12,674,411)</u>	<u>(45,010,520)</u>	<u>(32,524,443)</u>
At end of the financial year	<u>163,977,130</u>	<u>107,338,576</u>	<u>145,041,013</u>	<u>93,561,809</u>

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

9. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/Units in circulation (cont'd.)

The Manager imposed an exit penalty of 1.00% (2025: 1.00%) on the NAV per unit of the Fund during the financial year. The exit penalty will be recognised as income of the Fund.

(b) Realised

	2026 RM	2025 RM
At beginning of the financial year	8,468,128	9,073,246
Net realised income for the financial year	4,611,410	4,635,773
Distributions out of realised income (Note 12)	(6,919,585)	(5,240,891)
At end of the financial year	<u>6,159,953</u>	<u>8,468,128</u>

(c) Unrealised

	2026 RM	2025 RM
At beginning of the financial year	4,473,402	4,048,540
Net unrealised (loss)/gain for the financial year	(1,546,903)	424,862
At end of the financial year	<u>2,926,499</u>	<u>4,473,402</u>

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 July 2026 and 31 July 2025.

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

	2026 RM	2025 RM
Significant related party balance		
<u>AmBank (M) Berhad</u>		
Cash at bank	<u>316</u>	<u>348</u>

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

11. TAXATION

	2026 RM	2025 RM
Local tax		
- current year	5,700	52,561
- prior year tax adjustment	3,679	(38,655)
	<u>9,379</u>	<u>13,906</u>

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

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.

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 RM	2025 RM
Net income before taxation	<u>3,073,886</u>	<u>5,074,541</u>
Taxation at Malaysian statutory rate of 24% (2025: 24%)	737,733	1,217,890
Tax effects of:		
Income not subject to taxation	(1,706,010)	(1,567,026)
Losses not allowed for tax deduction	695,504	165,181
Restriction on tax deductible expenses for unit trust fund	245,493	223,542
Non-permitted expenses for tax purposes	32,980	12,974
Prior year tax adjustment	3,679	(38,655)
Tax expense for the financial year	<u>9,379</u>	<u>13,906</u>

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

12. DISTRIBUTIONS

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

Financial year ended 31 July 2026

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
24 September 2025	2.9464	2.9244	4,597,187
08 April 2026	1.4775	1.4762	2,322,398
	<u>4.4239</u>	<u>4.4006</u>	<u>6,919,585</u>

Financial year ended 31 July 2025

Distributions Ex-date	Gross distributions per unit RM (sen)	Net distributions per unit RM (sen)	Total distributions RM
19 September 2024	2.0701	2.0282	2,852,947
25 March 2025	1.7709	1.7576	2,387,944
	<u>3.8410</u>	<u>3.7858</u>	<u>5,240,891</u>

Gross distributions per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distributions per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distributions declared for the financial year ended 31 July 2026 were proposed before taking into account the net unrealised loss of RM1,546,903 arising during the financial year which are 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	0.09	0.02
Total TER	<u>1.13</u>	<u>1.06</u>

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

13. TOTAL EXPENSE RATIO (“TER”) (CONT’D.)

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.

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 0.61 times (2025: 0.45 times).

15. SEGMENTAL REPORTING

The Manager and Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by two segments:

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

The investment objective of each segment is to achieve consistent returns from the investments in each segment while safeguarding capital by investing in diversified portfolios. There have been no changes in reportable segments in the current financial year.

AmDynamic Bond

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

15. SEGMENTAL REPORTING (CONT'D.)

	Foreign fixed income portfolio RM	2026 Local fixed income portfolio RM	Total RM	Foreign fixed income portfolio RM	2025 Local fixed income portfolio RM	Total RM
Interest income	93,381	4,957,548	5,050,929	459,272	4,415,524	4,874,796
Net gain/(loss) from investments:						
– Financial assets at FVTPL	92,193	(922,865)	(830,672)	(567,428)	1,504,558	937,130
– Other net realised (loss)/gain on foreign currency exchange	(9,816)	-	(9,816)	29,092	-	29,092
Total segment investment income/(loss) for the financial year	<u>175,758</u>	<u>4,034,683</u>	<u>4,210,441</u>	<u>(79,064)</u>	<u>5,920,082</u>	<u>5,841,018</u>
Financial assets at FVTPL	-	104,229,718	104,229,718	8,348,292	90,594,379	98,942,671
Deposit with licensed financial institution	<u>-</u>	<u>12,260,957</u>	<u>12,260,957</u>	<u>-</u>	<u>5,029,393</u>	<u>5,029,393</u>
Total segment assets	<u>-</u>	<u>116,490,675</u>	<u>116,490,675</u>	<u>8,348,292</u>	<u>95,623,772</u>	<u>103,972,064</u>

There are no segment liabilities as at 31 July 2026 and 31 July 2025.

AmDynamic Bond

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

15. SEGMENTAL REPORTING (CONT'D.)

Expenses of the Fund are not considered part of the performance of any investment segment. The following table provides reconciliation between the net reportable segment income and net income after taxation:

	2026 RM	2025 RM
Net reportable segment investment income	4,210,441	5,841,018
Other income	137,403	322,494
Less: Expenses	<u>(1,273,958)</u>	<u>(1,088,971)</u>
Net income before taxation	3,073,886	5,074,541
Taxation	<u>(9,379)</u>	<u>(13,906)</u>
Net income after taxation	<u>3,064,507</u>	<u>5,060,635</u>

In addition, certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment. The following table provides reconciliation between the net reportable segment assets and liabilities and total assets and liabilities of the Fund.

	2026 RM	2025 RM
Total segment assets	116,490,675	103,972,064
Amount due from Manager	489	2,526,288
Sundry receivable	997	311
Tax recoverable	72,800	39,217
Cash at banks	147,535	132,692
Total assets of the Fund	<u>116,712,496</u>	<u>106,670,572</u>

	2026 RM	2025 RM
Amount due to Manager	260,430	147,544
Amount due to Trustee	3,965	3,489
Sundry payables and accruals	23,073	16,200
Total liabilities of the Fund	<u>287,468</u>	<u>167,233</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2026****16. TRANSACTIONS WITH BROKERS**

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

	Transactions value	
	RM	%
CIMB Bank Berhad	43,038,325	31.56
Citibank Berhad	14,434,758	10.59
CIMB Islamic Bank Berhad	11,226,735	8.23
AmBank (M) Berhad*	10,015,000	7.34
Hong Leong Islamic Bank Berhad	8,381,640	6.15
Malayan Banking Berhad	8,000,000	5.87
Hong Leong Investment Bank Berhad	7,625,395	5.59
Bank of America, Malaysia Berhad	6,008,894	4.41
JP Morgan Securities (M) Sdn. Bhd.	5,996,400	4.40
Novate Global Markets Limited	4,487,592	3.29
Others	17,145,756	12.57
Total	136,360,495	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 fixed income instruments and money market deposits. Transactions in these investments do not involve any commission or brokerage fee.

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.

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2026				
Financial assets				
Investments	104,229,718	-	-	104,229,718
Deposit with licensed financial institution	-	12,260,957	-	12,260,957
Amount due from Manager	-	489	-	489
Sundry receivable	-	997	-	997
Cash at banks	-	147,535	-	147,535
Total financial assets	104,229,718	12,409,978	-	116,639,696
Financial liabilities				
Amount due to Manager	-	-	260,430	260,430
Amount due to Trustee	-	-	3,965	3,965
Total financial liabilities	-	-	264,395	264,395
2025				
Financial assets				
Investments	98,942,671	-	-	98,942,671
Deposit with licensed financial institution	-	5,029,393	-	5,029,393
Amount due from Manager	-	2,526,288	-	2,526,288
Sundry receivable	-	311	-	311
Cash at banks	-	132,692	-	132,692
Total financial assets	98,942,671	7,688,684	-	106,631,355

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2025 (cont'd.)				
Financial liabilities				
Amount due to Manager	-	-	147,544	147,544
Amount due to Trustee	-	-	3,489	3,489
Total financial liabilities	-	-	151,033	151,033

	Income, expenses, gains and losses	
	2026 RM	2025 RM
Income, of which derived from:		
– Interest income from financial assets at FVTPL	4,858,461	4,599,028
– Interest income from financial assets at amortised cost	192,468	275,768
Net (loss)/gain from financial assets at FVTPL	(830,672)	937,130
Other net realised (loss)/gain on foreign currency exchange	(9,816)	29,092

(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.

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

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
2026				
Financial assets at FVTPL:				
– Investments	-	104,229,718	-	104,229,718
2025				
Financial assets at FVTPL:				
– Investments	-	98,942,671	-	98,942,671

(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:

- Deposit with licensed financial institution
- Amount due from/to Manager
- Sundry receivable
- 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.

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

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

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

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 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, or theoretical value	
	2026 RM	2025 RM
+100 bps	(6,384,753)	(5,698,093)
-100 bps	<u>6,842,037</u>	<u>6,092,851</u>

(ii) 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 JULY 2026**

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

(a) Market risk (cont'd.)

(ii) 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	
	2026 RM	2025 RM
+5.00%	6,812	423,484
-5.00%	(6,812)	(423,484)

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

	2026		2025	
Financial assets denominated in	RM equivalent	% of NAV	RM equivalent	% of NAV
United States Dollar				
Investments	-	-	8,348,292	7.84
Cash at banks	136,228	0.12	121,385	0.11
	<u>136,228</u>	<u>0.12</u>	<u>8,469,677</u>	<u>7.95</u>
Indonesian Rupiah				
Cash at banks	2	-*	2	-*

* represents less than 0.01%.

(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 its NAV in money market instruments and 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.

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

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

(b) Credit risk (cont'd.)

(i) Credit quality of financial assets

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 July 2026 and 31 July 2025:

Credit rating	RM	As a % of debt securities	As a % of NAV
2026			
AAA	27,170,184	26.07	23.34
AA	50,408,593	48.36	43.29
A	26,650,941	25.57	22.90
	<u>104,229,718</u>	<u>100.00</u>	<u>89.53</u>
2025			
AAA	3,274,424	3.31	3.08
AA	72,281,348	73.05	67.87
A	13,500,165	13.64	12.67
BBB	7,019,904	7.10	6.59
BB	1,328,388	1.34	1.25
NR*	1,538,442	1.56	1.44
	<u>98,942,671</u>	<u>100.00</u>	<u>92.90</u>

* Non-rated.

For deposit with licensed financial institution, the Fund only makes placements with licensed financial institution with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 31 July 2026 and 31 July 2025:

Credit rating	RM	As a % of deposits	As a % of NAV
2026			
P1/MARC-1	<u>12,260,957</u>	<u>100.00</u>	<u>10.53</u>
2025			
P1/MARC-1	<u>5,029,393</u>	<u>100.00</u>	<u>4.72</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 JULY 2026**

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

(b) Credit risk (cont'd.)

(ii) Credit risk concentration

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 July 2026 and 31 July 2025:

Sector	RM	As a % of debt securities	As a % of NAV
2026			
Consumer discretionary	18,273,052	17.53	15.69
Energy and utilities	27,733,447	26.61	23.83
Financial services	9,084,698	8.72	7.81
Health care and social work	4,105,028	3.94	3.52
Industrials	7,320,469	7.02	6.29
Public administration	5,000,549	4.80	4.29
Real estate	32,712,475	31.38	28.10
	<u>104,229,718</u>	<u>100.00</u>	<u>89.53</u>
2025			
Banking	6,514,055	6.58	6.12
Consumer discretionary	23,895,121	24.15	22.44
Data processing	1,834,237	1.85	1.72
Energy and utilities	25,919,048	26.20	24.35
Financial services	3,078,633	3.11	2.89
Health care and social work	4,122,109	4.17	3.87
Industrials	7,588,020	7.67	7.12
Public administration	1,538,442	1.56	1.44
Real estate	24,453,006	24.71	22.95
	<u>98,942,671</u>	<u>100.00</u>	<u>92.90</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.

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 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 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
2026						
Financial assets						
Investments	17,752,506	11,113,300	3,722,092	3,721,916	5,719,348	96,777,054
Deposit with licensed financial institution	12,262,872	-	-	-	-	-
Amount due from Manager	489	-	-	-	-	-
Sundry receivable	997	-	-	-	-	-
Cash at banks	147,535	-	-	-	-	-
Total financial assets	30,164,399	11,113,300	3,722,092	3,721,916	5,719,348	96,777,054
Financial liabilities						
Amount due to Manager	260,430	-	-	-	-	-
Amount due to Trustee	3,965	-	-	-	-	-
Total financial liabilities	264,395	-	-	-	-	-

AmDynamic Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 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
2025						
Financial assets						
Investments	4,854,975	17,777,058	16,532,442	7,669,630	3,120,088	78,248,657
Deposit with licensed financial institution	5,029,393	-	-	-	-	-
Amount due from Manager	2,526,288	-	-	-	-	-
Sundry receivable	311	-	-	-	-	-
Cash at banks	132,692	-	-	-	-	-
Total financial assets	12,543,659	17,777,058	16,532,442	7,669,630	3,120,088	78,248,657
Financial liabilities						
Amount due to Manager	147,544	-	-	-	-	-
Amount due to Trustee	3,489	-	-	-	-	-
Total financial liabilities	151,033	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 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) 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 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.

AmDynamic Bond

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 AmDynamic Bond (the “Fund”) as at 31 July 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

21 September 2026

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 31 July 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 reflect the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Associate Director, Trustee and Fiduciary Services

Kuala Lumpur
21 September 2026

DIRECTORY

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

