

Annual Report for

AmIncome Institutional SRI 1

(formerly known as AmIncome Institutional 1)

31 March 2025



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

CONTENTS

| | |
|-----------|-------------------------------------------------|
| 1 | Manager's Report |
| 10 | Independent Auditor's Report to the Unit holder |
| 14 | Statement of Financial Position |
| 15 | Statement of Comprehensive Income |
| 16 | Statement of Changes in Equity |
| 17 | Statement of Cash Flows |
| 18 | Notes to the Financial Statements |
| 53 | Statement by the Manager |
| 54 | Trustee's Report |
| 55 | Directory |

MANAGER'S REPORT

Dear Unitholder,

We are pleased to present you the Manager's report and the audited accounts of AmlIncome Institutional SRI 1 ("Fund") (formerly known as AmlIncome Institutional 1) for the financial year ended 31 March 2025.

Salient Information of the Fund

| | | | | | |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| Name | AmlIncome Institutional* SRI 1 (“Fund”) (formerly known as AmlIncome Institutional 1) <i>*Institutional refers to the potential Sophisticated Investor(s) of the Fund and not to the nature of the investables.</i> | | | | |
| Category/ Type | Wholesale Fixed Income / Income and to a lesser extent growth | | | | |
| Objective | The Fund is a fixed income fund which aims to provide a stream of income* and to a lesser extent capital appreciation. <i>Note:</i> <i>* The income could be in the form of units or cash.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders’ approval</i> | | | | |
| Duration | The Fund was established on 9 January 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 | Refinitiv BPA Malaysia Government Related 3Y-7Y All Bond Index (Available at www.aminvest.com) <i>Note: The above performance benchmark may be changed to reflect any material change to the Fund’s asset allocation range as permitted by the prevailing regulations.</i> | | | | |
| Income Distribution Policy | Income (if any) will be declared monthly. <i>Note: The income could be in the form of units or cash.</i> <i>Should there be realized income or gains, there may be income distribution declared.</i> | | | | |
| Breakdown of Unit Holdings by Size | For the financial year under review, the size of the Fund stood at 1,104,615,822 units. | | | | |
| | Size of holding | As at 31 March 2025 | | As at 31 March 2024 | |
| | | No of units held | Number of unitholder | No of units held | Number of unitholder |
| | 5,000 and below | - | - | - | - |
| | 5,001-10,000 | - | - | - | - |
| | 10,001-50,000 | - | - | - | - |
| | 50,001-500,000 | - | - | - | - |
| | 500,001 and above | 1,104,615,822 | 1 | 1,104,615,822 | 1 |

Fund Performance Data

| | | | | |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|
| Portfolio Composition | Details of portfolio composition of the Fund as at 31 March are as follows: | | | |
| | | As at 31 March | | |
| | | 2025 % | 2024 % | 2023 % |
| | Corporate bonds | 94.82 | 92.80 | 92.90 |
| | Cagamas bonds | 0.46 | 4.58 | 1.88 |
| | Malaysian Government Securities | - | 2.61 | 2.64 |
| | Money market deposits and cash equivalents | 4.72 | 0.01 | 2.58 |
| | Total | 100.00 | 100.00 | 100.00 |
| | <i>Note: The abovementioned percentages are calculated based on total net asset value.</i> | | | |
| | | | | |
| Performance Details | Performance details of the Fund for the financial years ended 31 March are as follows: | | | |
| | | FYE 2025 | FYE 2024 | FYE 2023 |
| | Net asset value (RM'000) | 1,109,518 | 1,122,718 | 1,091,357 |
| | Units in circulation ('000) | 1,104,616 | 1,104,616 | 1,100,840 |
| | Net asset value per unit (RM) | 1.0044 | 1.0164 | 0.9914 |
| | Highest net asset value per unit (RM) | 1.0219 | 1.0199 | 0.9946 |
| | Lowest net asset value per unit (RM) | 1.0007 | 0.9917 | 0.9658 |
| | Benchmark performance (%) | 4.67 | 6.08 | 4.40 |
| | Total return (%) ⁽¹⁾ | 4.28 | 5.65 | 3.87 |
| | - Capital growth (%) | -1.09 | 2.56 | 0.12 |
| | - Income distributions (%) | 5.37 | 3.09 | 3.75 |
| | Gross distributions (RM sen per unit) | 5.46 | 3.06 | 3.72 |
| | Net distributions (RM sen per unit) | 5.46 | 3.06 | 3.72 |
| | Total expense ratio (%) ⁽²⁾ | 0.17 | 0.17 | 0.17 |
| | Portfolio turnover ratio (times) ⁽³⁾ | 0.75 | 0.40 | 0.33 |
| | <i>Note:</i> | | | |
| | (1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees. Fund return is calculated based on the published price (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. | | | |
| | (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 2025 and 2024 were due mainly to investing activities. | | | |

Average Total Return (as at 31 March 2025)

| | AmlIncome Institutional SRI 1^(a) % | Benchmark^{** (b)} % |
|-------------|--------------------------------------------------------------|-----------------------------------------|
| One year | 4.28 | 4.67 |
| Three years | 4.60 | 5.05 |
| Five years | 4.06 | 4.45 |
| Ten years | 4.60 | 4.64 |

Annual Total Return

| Financial Years Ended (31 March) | AmlIncome Institutional SRI 1^(a) % | Benchmark^{** (b)} % |
|---------------------------------------------|--------------------------------------------------------------|-----------------------------------------|
| 2025 | 4.28 | 4.67 |
| 2024 | 5.65 | 6.08 |
| 2023 | 3.87 | 4.40 |
| 2022 | 2.06 | 2.48 |
| 2021 | 4.45 | 4.62 |

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

(b) Refinitiv BPA Malaysia Government Related 3Y-7Y All Bond Index.
(Available at www.aminvest.com)

**** Benchmark** – from 9 January 2012 until 30 November 2014 – Time Weighted
Rate of Return 6% p.a.

- from 1 December 2014 until 31 March 2017 – Quantshop MGS (Medium) Index.
- from 1 April 2017 until 7 March 2024 – Thomson Reuters BPA Malaysia Corporates 3Y-7Y All Bond Index.
- from 8 March 2024 onwards - Refinitiv BPA Malaysia Government Related 3Y-7Y All Bond Index.

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

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

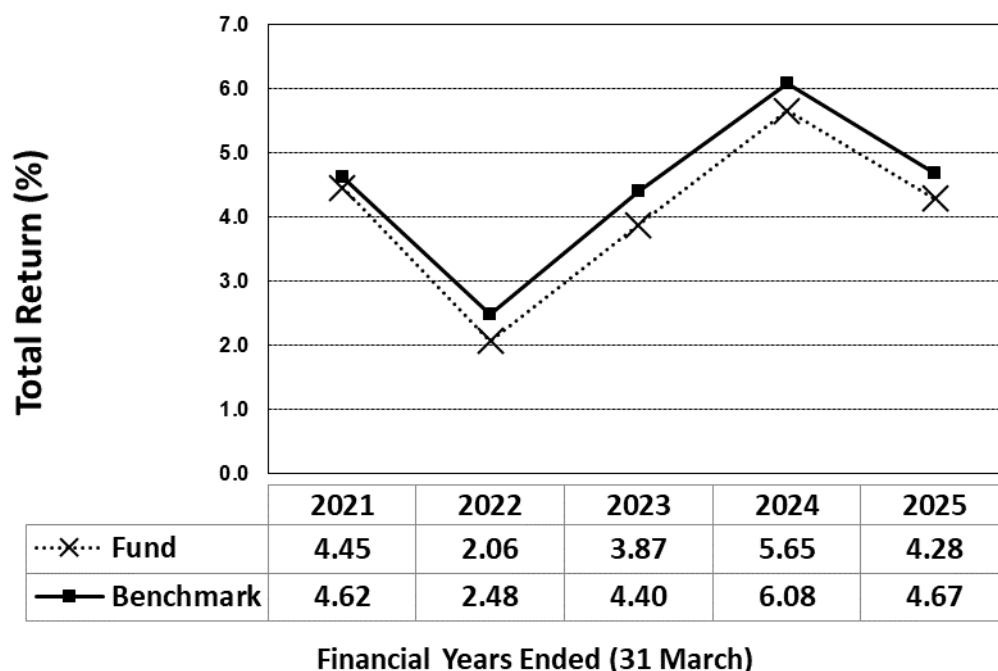
**Fund
Performance**

For the financial year under review, the Fund registered a return of 4.28% comprising of negative 1.09% capital and 5.37% income distribution.

Thus, the Fund's return of 4.28% has underperformed the benchmark's return of 4.67% by 0.39%.

As compared with the financial year ended 31 March 2024, the net asset value ("NAV") per unit of the Fund decreased by 1.18% from RM0.0164 to RM1.0044, while units in circulation remains unchanged at 1,104,615,822 units.

The following line chart shows comparison between the annual performances of AmlIncome Institutional SRI 1 (formerly known as AmlIncome Institutional 1) and its benchmark for the financial years ended 31 March.



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

Has the Fund achieved its objective?

The Fund has achieved its objective by providing a stream of income.

Strategies and Policies Employed

For the financial year under review, The Fund will invest up to 100% of its NAV in Malaysian Ringgit denominated fixed income instruments, where up to 20% of its NAV in cash, deposits and money market instruments for liquidity purposes and the overall investment strategy. The Fund may invest up to 30% of the Fund's net asset value in Malaysian government securities.

The Fund's average weighted duration is +/- 1.5 years of the benchmark duration.

Portfolio Structure

The table below is the asset allocation of the Fund as at 31 March 2025 and 31 March 2024.

| | As at 31.03.2025 % | As at 31.03.2024 % | Changes % |
|--------------------------------------------|--------------------------|--------------------------|--------------|
| Corporate bonds | 94.82 | 92.80 | 2.02 |
| Cagamas bonds | 0.46 | 4.58 | -4.12 |
| Malaysian Government Securities | - | 2.61 | -2.61 |
| Money market deposits and cash equivalents | 4.72 | 0.01 | 4.71 |
| Total | 100.00 | 100.00 | |

For the financial year under review, the Fund invested 94.82% of its NAV in corporate bonds, 0.46% in Cagamas bonds while the remaining 4.72% in money market deposits and cash equivalents.

| | | | | |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------|------------------------------------|
| Cross Trade | There were no cross trades undertaken during the financial year under review. | | | |
| Distribution/ Unit Splits | During the financial year under review, the Fund declared income distributions, detailed as follows: | | | |
| | Date of distributions | Distributions per unit RM (sen) | NAV per unit Cum-Distributions (RM) | NAV per unit Ex-Distributions (RM) |
| | 29-Apr-24 | 0.35 | 1.0159 | 1.0124 |
| | 30-May-24 | 0.34 | 1.0179 | 1.0145 |
| | 27-Jun-24 | 0.20 | 1.0188 | 1.0168 |
| | 30-Jul-24 | 0.47 | 1.0224 | 1.0177 |
| | 29-Aug-24 | 0.37 | 1.0220 | 1.0183 |
| | 27-Sep-24 | 0.42 | 1.0216 | 1.0174 |
| | 29-Oct-24 | 0.52 | 1.0160 | 1.0108 |
| | 28-Nov-24 | 0.30 | 1.0140 | 1.0110 |
| | 30-Dec-24 | 0.33 | 1.0144 | 1.0111 |
| | 28-Jan-25 | 1.49 | 1.0156 | 1.0007 |
| | 27-Feb-25 | 0.34 | 1.0057 | 1.0023 |
| | 27-Mar-25 | 0.33 | 1.0072 | 1.0039 |
| | There is no unit split declared for the financial year under review. | | | |
| State of Affairs | There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review. | | | |
| 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 in 2024, closing tracking global economic conditions and United States (US) Federal Reserve (Fed) policy shifts. Despite the volatility, the Malaysian bond market has ended the year with Malaysian Government Securities (MGS) yields rose 1-4bps on the belly of the curve while the ultra-long end 20Y-30Y MGS declined by 4-6bps over the year, except for 10Y MGS which rose 11bps. | | | |
| | During the second quarter of 2024, the local bond market strengthened as weaker US job data and softer inflation fueled expectations of policy easing. Foreign inflows surged in July, driving MGS yields lower, but profit taking in August tempered gains despite United States Treasury (UST) continued to rally amid heighten expectation of imminent rate cut by US Fed at its upcoming meeting in September. When the US Fed announced a 50bps cut (first reduction since March 2020) in September, a broad rally occurred in global bonds. However, sentiment weakened again in October as uncertainties surrounding the US presidential election and prospect of a slower rate cut by the US Fed pushed yields higher. | | | |
| | In November, the Malaysian bond market rallied, driven by bullish sentiment in the UST following the US presidential election. The Republican victory heightened inflation fears and dampened expectations of Fed rate cuts, leading to a sell-off in UST post-election. However, this was partially reversed later in the month. Locally, sentiment was further supported by the Bank Negara Malaysia's (BNM) announcement to cancel the 3-year Government Investment Issues (GII). December | | | |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>ended on a softer note with profit-taking and bearish global bond backdrop, driven by the United States (US) Federal Reserve's (Fed) more hawkish policy guidance and higher-than-expected inflation expectations and partly contributed by lack of liquidity in second half of December. This is despite positive news from Bank Negara Malaysia's (BNM) announcement of a smaller-than-expected final government bond auction for the year provided some support.</p> <p>Ringgit government bonds started the year 2025 slightly stronger with decent bids as market participants began to build up inventories. Meanwhile, in the US, the lower-than-expected inflation prints fueled a relief rally in United States Treasury (UST) but local bond market remained largely stable. Despite volatility in the UST market, the local bond market remained calm and supportive in February, buoyed by less hawkish pricing of UST and better regional sentiment from the continued pause in Trump tariffs. Growing concerns over tariffs, higher inflation expectation and slowing economic growth in US prompted investor to seek refuge in safer assets, the local bond market rallied in March while UST yield curve steepened. UST curve saw yield declined 1-10bps from the front end up to the 10-year segment. Domestically, strong liquidity conditions continued to support demand, pushing MGS yields lower by 1-6bps across tenor except for 30-year which was an outlier as it increased by 5bps month-on-month (MoM).</p> |
| Market Outlook | <p>Bank Negara Malaysia (BNM) is expected to maintain its current policy rate throughout 2025 supported by stable economic growth and low inflation. However, external risks remain, particularly policy uncertainty from the United States (US), which could lead to increased market volatility and potential shifts in capital flows. Any significant changes in US monetary policy or geopolitical developments could influence BNM's future rate decisions.</p> <p>For Q22025, our strategy focuses on positioning for an overweight duration stance, based on expectations of a positive bond market performance. This outlook is driven by:</p> <ul style="list-style-type: none"> • Ample domestic liquidity in the bond market, supporting demand for fixed-income instruments. • Uncertainty in the global growth outlook, especially with looming trade war from US tariffs • Potential monetary easing or accommodative policies by central banks, should growth weaken <p>We will focus on overweighting corporate bonds on portfolio construction with tactical positions on government bonds for trading purposes.</p> |
| A statement that the fund has complied with Guidelines on Sustainable And Responsible Investment Funds during the reporting period | <p>For the financial year under review, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds ("SRI").</p> |
| Descriptions on sustainability considerations that have been | <p>As a SRI qualified fund, the investments of the Fund are subjected to the integration of the sustainability considerations. Please refer to "Strategies and Policies Employed" section in this report for further information on the Fund's sustainability considerations.</p> |

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| adopted in the policies and strategies employed | |
| Descriptions of the SRI Fund's policies and strategies achieved during the reporting period which must include, but are not limited to the following (a-g) :- | |
| (a) A review on sustainability considerations of the SRI Fund's portfolio | For the financial year under review, the Fund incorporated sustainability considerations in securities or instruments selection (including instruments issued under their respective green, social and sustainability ("GSS") bond framework), by investing in companies which are well governed and with positive environmental and social impact. The issuer of such securities or instruments are evaluated based on the sustainability considerations as disclosed in the section "ESG Assessment Methodology" and their disclosure of information pertaining to environmental and social impact. |
| (b) The proportion of underlying investments that are consistent with the SRI Fund's policies and strategies | For the financial year under review, the Fund invested at least two-thirds (2/3) of the NAV of the Fund in securities or instruments (excluding Malaysian government securities, cash, deposits and money market instruments) that are in line with the sustainability considerations adopted by the Fund. |
| (c) Where the SRI Fund's underlying investments are inconsistent with its policies and strategies, descriptions on steps undertaken to rectify the inconsistency | Not applicable as the Fund's underlying investments are consistent with its policies and strategies. That said, if the Fund's investments become inconsistent with its investment strategies or the Fund breaches the two thirds (2/3) asset allocation threshold in investments that are subjected to sustainability considerations, the Fund Manager will dispose and/or replace the investment(s) within seven (7) business days from the date of the breach. |
| (d) Actions taken in achieving the SRI Fund's policies and strategies | The Fund Manager continuously monitor and if required, rebalance the investments to ensure that at least two-thirds (2/3) of the NAV of the Fund are maintained in securities or instruments (excluding Malaysian government securities, cash, deposits and money market instruments) that are in line with the sustainability considerations adopted by the Fund. |
| (e) A comparison of the SRI Fund's performance against the designated reference benchmark (if available) | Not applicable since the Fund does not have a designated SRI benchmark. |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(f) Descriptions on sustainability risk considerations and the inclusion of such risks in the SRI Fund's investment decision making process</p> | <p><u>Sustainability and Responsible Investment and Impact Risk</u></p> <p>As the Fund has an intention to generate positive sustainable and responsible impact alongside a financial return ("impact"), the investor must be able to accept temporary capital losses due to the potentially restricted number of companies that the Fund can invest in due to those companies which may not meet the sustainability considerations requirement and, consequently, should view investment in the Fund as a long-term investment.</p> <p>The Fund may seek to exclude holdings deemed inconsistent with the sustainability considerations. As a result, the investments of the Fund will be more limited than other funds that do not apply sustainability considerations. The Fund may be precluded from purchasing, or required to sell, certain investments that are inconsistent with its investment policy and sustainability considerations which might otherwise be advantageous to hold. The incorporation of sustainability considerations could result in performance that is better or worse than the performance of the other funds depending on the performance of the excluded investments and the investments included in place of such excluded investments.</p> <p>This risk is mitigated via investment strategy of the Fund such as by imposing minimum credit rating, active tactical duration management and by analyzing general market conditions. In addition, the Manager will use models that analyze and compare expected returns and assumed risk.</p> <p>The Manager will also focus on securities or instruments that would deliver better returns and will consider obligations with more favourable or improving credit or industry outlook that provides the potential for capital appreciation.</p> <p><u>Greenwashing Risk</u></p> <p>Greenwashing is defined as making false, misleading or unsubstantiated claims in relation to ESG credential of an investment product. The Fund may inadvertently invest into such products, without prior knowledge of the fraudulent claims. As greenwashing could result in reputational risk, regulatory fines, and/or withdrawal of the products, there could be a negative impact on the value of the Fund.</p> <p>In mitigating the greenwashing risk, there are governance and guidelines in place for assessing the sustainability of the sovereign or corporate issuer and depository financial institution. The ESG score prescribed to the sovereign or corporate issuer and depository financial institution are reviewed and approved by appropriate approving authorities internally, and updated periodically, i.e. at least once a year.</p> |
| <p>(g) Any other information, considered necessary and relevant by the issuer</p> | <p>No additional information deemed necessary to be disclosed.</p> |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Where the SRI Fund has provided previous periodic reviews, a comparison between the current and at least the previous reporting period | <p>For the current reporting period and the previous reporting period, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds (“SRI”) by investing at least two-thirds (2/3) of the NAV of the Fund in securities or instruments that are in line with the sustainability considerations adopted by the Fund.</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Kuala Lumpur, Malaysia
AmFunds Management Berhad

20 May 2025

**Independent auditors' report to the unit holder of
AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmlIncome Institutional SRI 1 (formerly known as AmlIncome Institutional 1) (the "Fund"), which comprise the statement of financial position as at 31 March 2025, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 52.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2025, and of its financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

**Independent auditors' report to the unit holder of
AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1) (cont'd.)**

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

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

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

Responsibilities of the Manager and the Trustee for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the unit holder of
AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1) (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 holder of
AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1) (cont'd.)**

Other matters

This report is made solely to the unit holder of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework 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
20 May 2025

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

| | Note | 2025 RM | 2024 RM |
|---------------------------------------------------|-------------|----------------------|----------------------|
| ASSETS | | | |
| Investments | 4 | 1,057,196,281 | 1,122,553,018 |
| Deposits with licensed financial institutions | 5 | 56,137,234 | 9,925,569 |
| Cash at bank | | 10,874 | 10,560 |
| TOTAL ASSETS | | 1,113,344,389 | 1,132,489,147 |
| LIABILITIES | | | |
| Amount due to Manager | 6 | 140,489 | 141,938 |
| Amount due to broker | 7 | - | 5,173,870 |
| Amount due to Trustee | 8 | 28,282 | 28,573 |
| Distribution payable | | 3,645,232 | 4,418,464 |
| Sundry payables and accruals | | 12,100 | 8,800 |
| TOTAL LIABILITIES | | 3,826,103 | 9,771,645 |
| NET ASSET VALUE ("NAV") OF THE FUND | | 1,109,518,286 | 1,122,717,502 |
| EQUITY | | | |
| Unit holder's capital | 10(a) | 1,099,906,722 | 1,099,906,722 |
| Retained earnings | 10(b)(c) | 9,611,564 | 22,810,780 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDER | 10 | 1,109,518,286 | 1,122,717,502 |
| UNITS IN CIRCULATION | 10(a) | 1,104,615,822 | 1,104,615,822 |
| NAV PER UNIT (RM) | | 1.0044 | 1.0164 |

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

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

| | Note | 2025 RM | 2024 RM |
|--------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|
| INVESTMENT INCOME | | | |
| Interest income | | 45,293,140 | 46,702,842 |
| Net gains from investments: | | | |
| – Financial assets at fair value through profit or loss (“FVTPL”) | 9 | <u>3,741,847</u> | <u>16,626,052</u> |
| | | <u>49,034,987</u> | <u>63,328,894</u> |
| EXPENDITURE | | | |
| Manager’s fee | 6 | (1,568,588) | (1,559,177) |
| Trustee’s fee | 8 | (336,126) | (334,109) |
| Audit fee | | (5,500) | (5,500) |
| Tax agent’s fee | | (3,300) | (3,300) |
| Custodian’s fee | | (5,693) | (4,930) |
| Other expenses | | <u>(2,972)</u> | <u>(3,295)</u> |
| | | <u>(1,922,179)</u> | <u>(1,910,311)</u> |
| Net income before taxation | | 47,112,808 | 61,418,583 |
| Taxation | 12 | <u>-</u> | <u>-</u> |
| Net income after taxation, representing total comprehensive income for the financial year | | <u>47,112,808</u> | <u>61,418,583</u> |
| Total comprehensive income comprises the following: | | | |
| Realised income | | 49,349,202 | 47,649,443 |
| Unrealised (loss)/gain | | <u>(2,236,394)</u> | <u>13,769,140</u> |
| | | <u>47,112,808</u> | <u>61,418,583</u> |
| Distributions for the financial year | | | |
| Net distributions | 13 | <u>60,312,024</u> | <u>33,801,245</u> |
| Gross distributions per unit (sen) | 13 | <u>5.46</u> | <u>3.06</u> |
| Net distributions per unit (sen) | 13 | <u>5.46</u> | <u>3.06</u> |

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

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

| | Note | Unit holder's capital RM | Retained earnings/ (Accumulated losses) RM | Total equity RM |
|------------------------------------------------------|-------------|-----------------------------------------|-------------------------------------------------------------------|--------------------------------|
| At 1 April 2024 | | 1,099,906,722 | 22,810,780 | 1,122,717,502 |
| Total comprehensive income for the financial year | | - | 47,112,808 | 47,112,808 |
| Distributions | 13 | - | (60,312,024) | (60,312,024) |
| Balance at 31 March 2025 | | <u>1,099,906,722</u> | <u>9,611,564</u> | <u>1,109,518,286</u> |
| At 1 April 2023 | | 1,096,163,864 | (4,806,558) | 1,091,357,306 |
| Total comprehensive income for the financial year | | - | 61,418,583 | 61,418,583 |
| Reinvestment of distributions | | 3,742,858 | - | 3,742,858 |
| Distributions | 13 | - | (33,801,245) | (33,801,245) |
| Balance at 31 March 2024 | | <u>1,099,906,722</u> | <u>22,810,780</u> | <u>1,122,717,502</u> |

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

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

| | Note | 2025 RM | 2024 RM |
|-------------------------------------------------------------------------|------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | | |
| Proceeds from sale of investments | | 860,845,400 | 418,066,450 |
| Purchases of investments | | (801,846,120) | (457,731,250) |
| Placement of deposit | | (20,000,000) | - |
| Interest received | | 49,919,396 | 48,830,666 |
| Manager's fee paid | | (1,570,037) | (1,563,754) |
| Trustee's fee paid | | (336,417) | (333,353) |
| Tax agent's fee paid | | - | (3,300) |
| Custodian's fee paid | | (5,693) | (4,930) |
| Payments for other expenses | | (8,472) | (8,795) |
| Net cash generated from operating and investing activities | | <u>86,998,057</u> | <u>7,251,734</u> |
| CASH FLOW FROM FINANCING ACTIVITY | | | |
| Distributions paid | | <u>(61,085,256)</u> | <u>(29,382,781)</u> |
| Net cash used in financing activity | | <u>(61,085,256)</u> | <u>(29,382,781)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | | 25,912,801 | (22,131,047) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | | |
| | | <u>9,936,129</u> | <u>32,067,176</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | | | |
| | | <u>35,848,930</u> | <u>9,936,129</u> |
| Cash and cash equivalents comprise: | | | |
| Short-term deposits with licensed financial institutions | 5 | 35,838,056 | 9,925,569 |
| Cash at bank | | <u>10,874</u> | <u>10,560</u> |
| | | <u>35,848,930</u> | <u>9,936,129</u> |

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

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

1. GENERAL INFORMATION

AmlIncome Institutional SRI 1 (the “Fund”) was established pursuant to a Deed dated 6 January 2012 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 holder. By the 6th Supplemental Information Memorandum dated 8 March 2024, the Fund has changed its name from AmlIncome Institutional 1 to AmlIncome Institutional SRI 1.

The Fund aims to provide a stream of income and to a lesser extent capital appreciation. As provided in the Deed, the financial year shall end on 31 March and the units in the Fund were first offered for sale on 9 January 2012.

The financial statements were authorised for issue by the Manager on 20 May 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Standards effective during the financial year

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

| Description | Effective for financial periods beginning on or after |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i> | 1 January 2024 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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 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.

(i) Interest income

For all interest-bearing financial assets, interest income is calculated using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

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

3. SUMMARY OF ACCOUNTING POLICIES (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 or directly in equity.

3.3 Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

3.4 Statement of cash flows

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

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

3.5 Distribution

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holder is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holder on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

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

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

3.6 Unit holder's capital

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

3.7 Financial instruments – initial recognition and measurement

(i) Initial recognition

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

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial assets. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

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

3.8 Financial assets

Classification and measurement

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

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

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

3.8 Financial assets (cont'd.)

Classification and measurement (cont'd.)

Business model

The business model reflects how the Fund manages the financial assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model. Factors considered by the Fund in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

Cash flow characteristics

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Fund assesses whether the financial assets' contractual cash flows represent solely payment of principal and interest ("SPPI"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

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

Financial assets at amortised cost

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

Financial assets at FVOCI

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

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

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

3.8 Financial assets (cont'd.)

Classification and measurement (cont'd.)

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

Financial assets at FVOCI (cont'd.)

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

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Interest earned element of such instrument is recorded in "Interest income".

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

3.9 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

3.10 Derecognition of financial instruments

(i) Derecognition of financial asset

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

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:

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

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

3.10 Derecognition of financial instruments (cont'd.)

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

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

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

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

(ii) Derecognition of financial liability

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

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

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

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

3.12 Determination of fair value

For investments in local fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd. plus accrued interest, which includes the accretion of discount and amortisation of premium. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3.13 Classification of realised and unrealised gains and losses

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

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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

3.13 Classification of realised and unrealised gains and losses (cont'd.)

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

3.14 Significant accounting estimates and judgments

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

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

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

4. INVESTMENTS

| | 2025 | 2024 |
|----------------------------------|----------------------|----------------------|
| | RM | RM |
| Financial assets at FVTPL | | |
| At nominal value: | | |
| Cagamas bonds | 5,000,000 | 50,000,000 |
| Corporate bonds | 1,016,500,000 | 1,006,000,000 |
| Malaysian Government Securities | - | 31,000,000 |
| | <u>1,021,500,000</u> | <u>1,087,000,000</u> |
| At fair value: | | |
| Cagamas bonds | 5,171,992 | 51,421,296 |
| Corporate bonds | 1,052,024,289 | 1,041,853,469 |
| Malaysian Government Securities | - | 29,278,253 |
| | <u>1,057,196,281</u> | <u>1,122,553,018</u> |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|---------------------------|----------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Cagamas bond | | | | | | |
| 13.12.2027 | Cagamas Berhad | AAA | 5,000,000 | 5,171,992 | 5,067,192 | 0.46 |
| Total cagamas bond | | | 5,000,000 | 5,171,992 | 5,067,192 | 0.46 |
| Corporate bonds | | | | | | |
| 21.10.2025 | Bank Islam Malaysia Berhad | A | 10,000,000 | 10,157,081 | 10,133,747 | 0.92 |
| 31.10.2025 | Southern Power Generation Sdn. Bhd. | AA | 3,000,000 | 3,082,955 | 3,063,399 | 0.28 |
| 12.01.2026 | Projek Lebuhraya Usahasama Berhad | AAA | 20,000,000 | 20,374,331 | 20,388,789 | 1.84 |
| 18.05.2026 | Encorp Systembilt Sdn. Bhd. | AA | 3,000,000 | 3,111,113 | 3,075,854 | 0.28 |
| 25.05.2026 | RHB Bank Berhad | AA | 10,000,000 | 10,172,438 | 10,164,169 | 0.92 |
| 11.08.2026 | Bakun Hydro Power Generation Sdn. Bhd. | AAA | 2,000,000 | 2,032,451 | 2,007,030 | 0.18 |
| 02.10.2026 | UMW Holdings Berhad | AA | 2,000,000 | 2,094,519 | 2,057,583 | 0.19 |
| 29.01.2027 | EKVE Sdn. Bhd. | AAA | 5,000,000 | 5,170,823 | 5,115,989 | 0.47 |
| 26.02.2027 | Malaysian Resources Corporation Berhad | AA | 5,000,000 | 5,130,007 | 5,025,597 | 0.46 |
| 21.04.2027 | S P Setia Berhad | AA | 5,000,000 | 5,132,899 | 5,066,837 | 0.46 |
| 05.07.2027 | Edra Energy Sdn. Bhd. | AA | 10,000,000 | 10,585,929 | 10,230,242 | 0.95 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|--------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 03.09.2027 | YTL Power International Berhad | AA | 5,000,000 | 5,163,828 | 5,024,168 | 0.47 |
| 29.11.2027 | AFA Prime Berhad (f.k.a ANIH Berhad) | AA | 20,000,000 | 21,180,674 | 21,492,853 | 1.91 |
| 16.12.2027 | Affin Islamic Bank Berhad | AA | 10,000,000 | 10,363,324 | 10,138,324 | 0.93 |
| 19.01.2028 | RHB Bank Berhad | AA | 10,000,000 | 10,236,429 | 10,216,595 | 0.92 |
| 24.03.2028 | MMC Corporation Berhad | AA | 5,000,000 | 5,248,685 | 5,241,174 | 0.47 |
| 28.03.2028 | Qualitas Sukuk Berhad | AA | 10,000,000 | 10,082,605 | 10,005,205 | 0.91 |
| 28.04.2028 | OSK Rated Bond Sdn. Bhd. | AA | 5,000,000 | 5,175,960 | 5,158,372 | 0.47 |
| 19.06.2028 | Hong Leong Bank Berhad | AA | 10,000,000 | 10,194,621 | 10,118,521 | 0.92 |
| 10.08.2028 | Eco World Capital Berhad | AA | 18,000,000 | 18,678,282 | 18,350,447 | 1.68 |
| 15.08.2028 | BGSM Management Sdn. Bhd. | AA | 10,000,000 | 10,291,821 | 10,062,844 | 0.93 |
| 24.08.2028 | YTL Power International Berhad | AA | 25,000,000 | 26,048,541 | 26,238,439 | 2.35 |
| 20.10.2028 | Pengerang LNG (Two) Sdn. Bhd. | AAA | 15,000,000 | 14,756,605 | 15,190,405 | 1.33 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|--------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 23.10.2028 | CIMB Group Holdings Berhad | AA | 20,000,000 | 20,694,047 | 20,382,247 | 1.87 |
| 03.11.2028 | AmBank (M) Berhad* | AA | 10,000,000 | 10,369,993 | 10,346,495 | 0.93 |
| 30.11.2028 | CIMB Islamic Bank Berhad | AAA | 7,500,000 | 7,664,601 | 7,601,601 | 0.69 |
| 29.12.2028 | Malaysia Airports Holdings Berhad | AAA | 5,000,000 | 5,115,075 | 5,052,175 | 0.46 |
| 31.01.2029 | Malayan Banking Berhad | AA | 10,000,000 | 10,124,747 | 10,066,247 | 0.91 |
| 27.03.2029 | CIMB Islamic Bank Berhad | AAA | 10,000,000 | 10,033,488 | 10,005,288 | 0.90 |
| 30.03.2029 | YTL Power International Berhad | AA | 5,000,000 | 5,159,370 | 5,008,106 | 0.47 |
| 06.04.2029 | MMC Port Holdings Sdn. Bhd. | AA | 5,000,000 | 5,256,612 | 5,225,938 | 0.47 |
| 20.04.2029 | AEON Credit Service (M) Berhad | AA | 10,000,000 | 10,336,407 | 10,306,680 | 0.93 |
| 20.04.2029 | S P Setia Berhad | AA | 25,000,000 | 26,230,678 | 25,639,035 | 2.36 |
| 27.04.2029 | Sunway Healthcare Treasury Sdn. Bhd. | AA | 5,000,000 | 5,118,084 | 5,084,384 | 0.46 |
| 08.05.2029 | Affin Bank Berhad | AA | 5,000,000 | 5,111,327 | 5,080,877 | 0.46 |
| 15.05.2029 | RHB Islamic Bank Berhad | AA | 10,000,000 | 10,149,437 | 10,150,137 | 0.91 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|-----------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 11.06.2029 | Hong Leong Bank Berhad | AA | 10,000,000 | 10,148,664 | 10,123,164 | 0.91 |
| 29.06.2029 | Tenaga Nasional Berhad | AAA | 10,000,000 | 10,500,122 | 10,119,222 | 0.95 |
| 20.07.2029 | Sunreit Bond Berhad | AA | 10,000,000 | 10,108,749 | 10,075,049 | 0.91 |
| 25.07.2029 | Public Bank Berhad | AA | 10,000,000 | 10,119,737 | 10,070,137 | 0.91 |
| 12.09.2029 | Bank Pembangunan Malaysia Berhad | NR** | 5,000,000 | 5,244,008 | 5,390,016 | 0.47 |
| 20.09.2029 | CelcomDigi Telecommunications Sdn. Bhd. | AAA | 5,000,000 | 4,982,618 | 4,993,795 | 0.45 |
| 27.09.2029 | Kuala Lumpur Kepong Berhad | AA | 3,000,000 | 2,998,571 | 3,051,488 | 0.27 |
| 06.11.2029 | Bank Simpanan Nasional Berhad | AAA | 5,000,000 | 5,099,716 | 5,077,466 | 0.46 |
| 30.11.2029 | MMC Corporation Berhad | AA | 10,000,000 | 10,754,573 | 10,201,691 | 0.97 |
| 12.12.2029 | BGSM Management Sdn. Bhd. | AA | 5,000,000 | 5,184,352 | 5,072,607 | 0.47 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|----------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 26.02.2030 | Toyota Capital Malaysia Sdn. Bhd. | AAA | 15,000,000 | 15,343,882 | 15,291,473 | 1.38 |
| 06.03.2030 | AEON Credit Service (M) Berhad | AA | 5,000,000 | 5,055,860 | 5,029,895 | 0.46 |
| 25.03.2030 | Bank Islam Malaysia Berhad | A | 5,000,000 | 5,065,462 | 5,004,712 | 0.46 |
| 29.03.2030 | TNB Power Generation Sdn. Bhd. | AAA | 5,000,000 | 5,123,206 | 5,085,648 | 0.46 |
| 03.05.2030 | UDA Holdings Berhad | AA | 1,000,000 | 1,052,356 | 1,023,327 | 0.09 |
| 21.06.2030 | S P Setia Berhad | AA | 20,000,000 | 20,837,764 | 20,802,189 | 1.88 |
| 05.07.2030 | Edra Energy Sdn. Bhd. | AA | 10,000,000 | 11,142,221 | 10,725,321 | 1.00 |
| 05.07.2030 | Johor Corporation | AAA | 5,000,000 | 5,213,165 | 5,051,815 | 0.47 |
| 09.08.2030 | Bakun Hydro Power Generation Sdn. Bhd. | AAA | 15,000,000 | 15,658,087 | 15,601,625 | 1.41 |
| 12.08.2030 | Tenaga Nasional Berhad | AAA | 4,000,000 | 3,844,495 | 4,015,255 | 0.35 |
| 16.08.2030 | Toyota Capital Malaysia Sdn. Bhd. | AAA | 10,000,000 | 10,167,173 | 10,135,655 | 0.92 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|------------------------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 13.09.2030 | OSK Rated Bond Sdn. Bhd. | AA | 25,000,000 | 25,772,880 | 25,411,131 | 2.32 |
| 18.09.2030 | Press Metal Aluminium Holdings Berhad | AA | 10,000,000 | 10,286,749 | 10,225,486 | 0.93 |
| 25.10.2030 | SMJ Energy Sdn. Bhd. (f.k.a SMJ Sdn. Bhd.) | AAA | 10,000,000 | 10,517,923 | 10,188,123 | 0.95 |
| 06.11.2030 | Malaysia Airports Holdings Berhad | AAA | 15,000,000 | 15,055,950 | 15,186,372 | 1.36 |
| 12.12.2030 | BGSM Management Sdn. Bhd. | AA | 5,000,000 | 5,224,959 | 5,204,781 | 0.47 |
| 03.01.2031 | Edra Energy Sdn. Bhd. | AA | 5,000,000 | 5,615,560 | 5,410,323 | 0.51 |
| 06.03.2031 | AEON Credit Service (M) Berhad | AA | 5,000,000 | 5,058,230 | 5,033,216 | 0.46 |
| 27.03.2031 | CIMB Islamic Bank Berhad | AAA | 5,000,000 | 5,057,910 | 5,002,760 | 0.46 |
| 27.03.2031 | Gamuda Berhad | AA | 5,000,000 | 5,042,974 | 5,029,532 | 0.45 |
| 09.05.2031 | UDA Holdings Berhad | AA | 10,000,000 | 10,397,578 | 10,244,434 | 0.95 |
| 23.05.2031 | Petroleum Sarawak Exploration & Production Sdn. Bhd. | AAA | 5,000,000 | 5,125,513 | 5,069,763 | 0.46 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|-----------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 28.05.2031 | PONSB Capital Berhad | AA | 25,000,000 | 25,595,219 | 25,482,329 | 2.31 |
| 19.06.2031 | AmBank (M) Berhad* | AA | 10,000,000 | 10,182,899 | 10,115,699 | 0.92 |
| 20.06.2031 | BGSM Management Sdn. Bhd. | AA | 5,000,000 | 5,106,308 | 5,098,213 | 0.46 |
| 27.06.2031 | CelcomDigi Telecommunications Sdn. Bhd. | AAA | 15,000,000 | 15,283,331 | 15,153,432 | 1.38 |
| 04.07.2031 | Edra Energy Sdn. Bhd. | AA | 5,000,000 | 5,663,325 | 5,667,214 | 0.51 |
| 11.07.2031 | Selangor State Development Corporation | AA | 5,000,000 | 5,103,787 | 5,059,184 | 0.46 |
| 15.07.2031 | Bank Islam Malaysia Berhad | AA | 5,000,000 | 5,106,347 | 5,042,997 | 0.46 |
| 22.07.2031 | Sunreit Bond Berhad | AA | 5,000,000 | 5,067,175 | 5,055,083 | 0.46 |
| 29.07.2031 | Selangor State Development Corporation | AA | 10,000,000 | 10,157,307 | 10,094,588 | 0.92 |
| 06.08.2031 | DRB-HICOM Berhad | AA | 5,000,000 | 5,315,406 | 5,281,700 | 0.48 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|----------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 11.08.2031 | Bakun Hydro Power Generation Sdn. Bhd. | AAA | 5,000,000 | 5,260,207 | 5,228,658 | 0.47 |
| 15.08.2031 | Sunway Treasury Sukuk Sdn. Bhd. | AA | 15,000,000 | 15,124,685 | 15,068,850 | 1.36 |
| 26.09.2031 | Johor Plantations Group Berhad | AA | 5,000,000 | 5,039,038 | 5,003,288 | 0.45 |
| 13.11.2031 | DRB-Hicom Berhad | AA | 10,000,000 | 10,296,973 | 10,232,545 | 0.93 |
| 21.11.2031 | Malaysia Airports Holdings Berhad | AAA | 10,000,000 | 10,255,578 | 10,213,418 | 0.92 |
| 28.11.2031 | Eco World Capital Berhad | AA | 20,000,000 | 20,570,005 | 20,290,805 | 1.85 |
| 16.01.2032 | Selangor State Development Corporation | AA | 30,000,000 | 31,744,657 | 31,505,953 | 2.86 |
| 16.03.2032 | Kuala Lumpur Kepong Berhad | AA | 5,000,000 | 5,095,868 | 5,108,962 | 0.46 |
| 26.03.2032 | Gamuda Berhad | AA | 5,000,000 | 5,008,699 | 4,975,448 | 0.45 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|--------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 26.03.2032 | Sunway Healthcare Treasury Sdn. Bhd. | AA | 5,000,000 | 5,008,740 | 5,008,712 | 0.45 |
| 08.04.2032 | MMC Port Holdings Sdn. Bhd. | AA | 5,000,000 | 5,367,838 | 5,368,180 | 0.48 |
| 31.05.2032 | GENM Capital Berhad | AA | 5,000,000 | 5,194,076 | 5,085,426 | 0.47 |
| 30.07.2032 | CIMB Islamic Bank Berhad | AAA | 5,000,000 | 5,081,128 | 5,032,877 | 0.46 |
| 13.10.2032 | Amanat Lebuhraya Rakyat Berhad | AAA | 30,000,000 | 33,324,957 | 32,306,883 | 3.00 |
| 12.01.2033 | Projek Lebuhraya Usahasama Berhad | AAA | 15,000,000 | 16,060,587 | 15,785,196 | 1.45 |
| 24.03.2033 | YTL Power International Berhad | AA | 5,000,000 | 5,371,868 | 5,334,515 | 0.48 |
| 29.03.2033 | TNB Power Generation Sdn. Bhd. | AAA | 5,000,000 | 5,250,410 | 5,240,830 | 0.47 |
| 20.06.2033 | Gamuda Berhad | AA | 10,000,000 | 10,442,659 | 10,324,319 | 0.95 |
| 06.07.2033 | Johor Corporation | AAA | 25,000,000 | 26,439,815 | 26,227,730 | 2.38 |
| 29.08.2033 | Tenaga Nasional Berhad | AAA | 20,000,000 | 21,410,014 | 21,260,703 | 1.93 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| Maturity date | Issuer | Credit rating | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|----------------------------------|----------------------------------------|----------------------|-------------------------|----------------------|-------------------------|--------------------------------------------|
| Corporate bonds (cont'd.) | | | | | | |
| 31.05.2034 | GENM Capital Berhad | AA | 5,000,000 | 5,211,574 | 5,205,220 | 0.47 |
| 19.06.2034 | AmBank (M) Berhad* | AA | 5,000,000 | 5,086,505 | 5,058,555 | 0.46 |
| 28.07.2034 | Benih Restu Berhad | AA | 33,000,000 | 33,634,156 | 33,485,991 | 3.03 |
| 09.08.2034 | Selangor State Development Corporation | AA | 5,000,000 | 5,037,484 | 4,978,926 | 0.45 |
| 11.08.2034 | Alliance Bank Malaysia Berhad | A | 5,000,000 | 5,035,609 | 5,026,959 | 0.45 |
| 20.12.2034 | BGSM Management Sdn. Bhd. | AA | 10,000,000 | 10,227,334 | 10,130,256 | 0.92 |
| 10.01.2035 | Projek Lebuhraya Usahama Berhad | AAA | 5,000,000 | 5,120,066 | 5,044,716 | 0.46 |
| 02.03.2035 | OSK Rated Bond Sdn. Bhd. | AA | 5,000,000 | 5,060,703 | 5,015,803 | 0.46 |
| 20.03.2035 | IJM Treasury Management Sdn. Bhd. | AA | 5,000,000 | 5,051,158 | 5,044,563 | 0.46 |
| Total corporate bonds | | | 1,016,500,000 | 1,052,024,289 | 1,043,107,990 | 94.82 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

4. INVESTMENTS (CONT'D.)

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

| | Nominal value RM | Fair value RM | Adjusted cost RM | Fair value as a percentage of NAV % |
|------------------------------------------------|------------------------|----------------------|------------------------|-------------------------------------------------|
| Total financial assets at FVTPL | <u>1,021,500,000</u> | <u>1,057,196,281</u> | <u>1,048,175,182</u> | <u>95.28</u> |
| Excess of fair value over adjusted cost | | <u>9,021,099</u> | | |

* Financial institution related to the Manager.

** Non-rated

The weighted average effective yield on investments are as follows:

| | Effective yield | |
|---------------------------------|------------------------|-------------|
| | 2025 | 2024 |
| | % | % |
| Cagamas bonds | 3.68 | 3.75 |
| Corporate bonds | 3.93 | 3.92 |
| Malaysian Government Securities | <u>-</u> | <u>3.77</u> |

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

| | Less than 1 year RM | 1 year to 5 years RM | More than 5 years RM |
|---------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 2025 | | | |
| At nominal value: | | | |
| Cagamas bond | - | 5,000,000 | - |
| Corporate bonds | <u>33,000,000</u> | <u>415,500,000</u> | <u>568,000,000</u> |
| 2024 | | | |
| At nominal value: | | | |
| Cagamas bonds | - | 50,000,000 | - |
| Corporate bonds | 35,000,000 | 718,000,000 | 253,000,000 |
| Malaysian Government Securities | <u>-</u> | <u>1,000,000</u> | <u>30,000,000</u> |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

5. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

| | 2025 RM | 2024 RM |
|---------------------|-------------------|------------------|
| At nominal value: | | |
| Fixed deposit | 20,000,000 | - |
| Short-term deposits | 35,826,000 | 9,923,000 |
| | <u>55,826,000</u> | <u>9,923,000</u> |
| At carrying value: | | |
| Fixed deposit | 20,299,178 | - |
| Short-term deposits | 35,838,056 | 9,925,569 |
| | <u>56,137,234</u> | <u>9,925,569</u> |

Detail of deposits with licensed financial institutions are as follows:

| Maturity date | Financial institutions | Nominal value RM | Carrying value RM | Carrying value as a percentage of NAV % |
|----------------------------------|------------------------|---------------------|----------------------|--------------------------------------------|
| 2025 | | | | |
| Fixed deposit | | | | |
| 21.11.2025 | Public Bank Berhad | 20,000,000 | 20,299,178 | 1.83 |
| Short-term deposits | | | | |
| 02.04.2025 | Hong Leong Bank Berhad | 10,521,000 | 10,524,459 | 0.95 |
| 02.04.2025 | Malayan Banking Berhad | 25,305,000 | 25,313,597 | 2.28 |
| Total short-term deposits | | <u>35,826,000</u> | <u>35,838,056</u> | <u>3.23</u> |
| Total deposits | | <u>55,826,000</u> | <u>56,137,234</u> | <u>5.06</u> |

The weighted average effective interest rate and weighted average remaining maturities of deposits are as follows:

| | Weighted average effective interest rate | | Weighted average remaining maturities | |
|---------------------|------------------------------------------|-----------|---------------------------------------|-------------|
| | 2025 % | 2024 % | 2025 Days | 2024 Day |
| Fixed deposit | 4.20 | - | 235 | - |
| Short-term deposits | 3.07 | 3 | 2 | 1 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

6. AMOUNT DUE TO MANAGER

| | 2025 | 2024 |
|-----------------------|-------------|-------------|
| | RM | RM |
| Due to Manager | | |
| Manager's fee payable | 140,489 | 141,938 |

Manager's fee is at a rate of 0.14% (2024: 0.14%) 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 Manager's fee payable is one month.

7. AMOUNT DUE TO BROKER

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

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.03% (2024: 0.03%) 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.

9. NET GAINS FROM INVESTMENTS

| | 2025 | 2024 |
|----------------------------------------------------------------------|------------------|-------------------|
| | RM | RM |
| Net gains on financial assets at FVTPL comprised: | | |
| – Net realised gains on sale of investments | 5,978,241 | 2,856,913 |
| – Net unrealised (loss)/gain on changes in fair value of investments | (2,236,394) | 13,769,139 |
| | <u>3,741,847</u> | <u>16,626,052</u> |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

10. TOTAL EQUITY

Total equity is represented by:

| | Note | 2025 RM | 2024 RM |
|-----------------------|-------------|----------------------|----------------------|
| Unit holder's capital | (a) | 1,099,906,722 | 1,099,906,722 |
| Retained earnings | | | |
| – Realised income | (b) | 590,464 | 11,553,286 |
| – Unrealised gains | (c) | 9,021,100 | 11,257,494 |
| | | <u>1,109,518,286</u> | <u>1,122,717,502</u> |

(a) Unit holder's capital/Units in circulation

| | 2025 | | 2024 | |
|------------------------------------|----------------------------|----------------------|----------------------------|----------------------|
| | Number of units | RM | Number of units | RM |
| At beginning of the financial year | 1,104,615,822 | 1,099,906,722 | 1,100,840,496 | 1,096,163,864 |
| Reinvestment of distributions | - | - | 3,775,326 | 3,742,858 |
| At end of financial year | <u>1,104,615,822</u> | <u>1,099,906,722</u> | <u>1,104,615,822</u> | <u>1,099,906,722</u> |

(b) Realised

| | 2025 RM | 2024 RM |
|------------------------------------------------|---------------------|---------------------|
| At beginning of the financial year | 11,553,286 | (2,294,912) |
| Net realised income for the financial year | 49,349,202 | 47,649,443 |
| Distributions out of realised income (Note 13) | <u>(60,312,024)</u> | <u>(33,801,245)</u> |
| At end of the financial year | <u>590,464</u> | <u>11,553,286</u> |

(c) Unrealised

| | 2025 RM | 2024 RM |
|---------------------------------------------------|--------------------|--------------------|
| At beginning of the financial year | 11,257,494 | (2,511,646) |
| Net unrealised (loss)/gain for the financial year | <u>(2,236,394)</u> | <u>13,769,140</u> |
| At end of the financial year | <u>9,021,100</u> | <u>11,257,494</u> |

AmIncome Institutional SRI 1
(formerly known as AmIncome Institutional 1)

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

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 |

| | 2025 | | 2024 | |
|-----------------------------------------------------------------------------------------|----------------------------|----------------|----------------------------|----------------|
| | Number of units | RM | Number of units | RM |
| Liberty General Insurance Berhad (formerly known as AmGeneral Insurance Berhad) * | 1,104,615,822 | 1,109,518,286^ | 1,104,615,822 | 1,122,717,502^ |

* The related party is the legal and beneficial owners of the units. There are no units held by the Manager as at 31 March 2025 and 31 March 2024.

^ The price is according to NAV per unit as at 31 March 2025 and 31 March 2024.

12. TAXATION

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

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

| | 2025 RM | 2024 RM |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| Net income before taxation | 47,112,808 | 61,418,583 |
| Taxation at Malaysian statutory rate of 24% (2024: 24%) | 11,307,074 | 14,740,460 |
| Tax effects of: | | |
| Income not subject to tax | (12,659,476) | (15,198,935) |
| Loss not allowed for tax deduction | 891,079 | - |
| Restriction on tax deductible expenses | 340,003 | 337,976 |
| Non-permitted expenses for tax purposes | 83,542 | 82,946 |
| Permitted expenses not used and not available for future financial years | 37,778 | 37,553 |
| Tax expense for the financial year | - | - |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

13. DISTRIBUTIONS

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

Financial year ended 31 March 2025

| Distributions Ex-date | Gross distributions per unit RM (sen) | Net distributions per unit RM (sen) | Total distributions RM |
|----------------------------------|----------------------------------------------------------|--------------------------------------------------------|---------------------------------------|
| 29 April 2024 | 0.35 | 0.35 | 3,866,155 |
| 30 May 2024 | 0.34 | 0.34 | 3,755,694 |
| 27 June 2024 | 0.20 | 0.20 | 2,209,232 |
| 30 July 2024 | 0.47 | 0.47 | 5,191,694 |
| 29 August 2024 | 0.37 | 0.37 | 4,087,079 |
| 27 September 2024 | 0.42 | 0.42 | 4,639,387 |
| 29 October 2024 | 0.52 | 0.52 | 5,744,002 |
| 28 November 2024 | 0.30 | 0.30 | 3,313,847 |
| 30 December 2024 | 0.33 | 0.33 | 3,645,232 |
| 28 January 2025 | 1.49 | 1.49 | 16,458,776 |
| 27 February 2025 | 0.34 | 0.34 | 3,755,694 |
| 27 March 2025 | 0.33 | 0.33 | 3,645,232 |
| | 5.46 | 5.46 | 60,312,024 |

Financial year ended 31 March 2024

| Distributions Ex-date | Gross distributions per unit RM (sen) | Net distributions per unit RM (sen) | Total distributions RM |
|----------------------------------|----------------------------------------------------------|--------------------------------------------------------|---------------------------------------|
| 27 April 2023 | 0.28 | 0.28 | 3,092,925 |
| 29 August 2023 | 0.21 | 0.21 | 2,319,693 |
| 27 September 2023 | 0.22 | 0.22 | 2,430,155 |
| 30 October 2023 | 0.57 | 0.57 | 6,296,310 |
| 29 November 2023 | 0.30 | 0.30 | 3,313,848 |
| 28 December 2023 | 0.25 | 0.25 | 2,761,540 |
| 30 January 2024 | 0.57 | 0.57 | 6,296,310 |
| 28 February 2024 | 0.26 | 0.26 | 2,872,001 |
| 27 March 2024 | 0.40 | 0.40 | 4,418,463 |
| | 3.06 | 3.06 | 33,801,245 |

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.

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

13. DISTRIBUTIONS (CONT'D.)

The distributions declared for the financial year ended 31 March 2025 were proposed before taking into account the net unrealised loss of RM2,236,394 arising during the financial year which is carried forward to the next financial year.

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

14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

| | 2025 | 2024 |
|-----------------------|---------------|---------------|
| | % p.a. | % p.a. |
| Manager's fee | 0.14 | 0.14 |
| Trustee's fee | 0.03 | 0.03 |
| Fund's other expenses | -* | -* |
| Total TER | <u>0.17</u> | <u>0.17</u> |

* represents less than 0.01%.

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

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 0.75 times (2024: 0.40 times).

16. SEGMENTAL REPORTING

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

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

17. TRANSACTIONS WITH THE BROKERS

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

| | Transaction value | |
|-----------------------------------|--------------------------|---------------|
| | RM | % |
| Malayan Banking Berhad | 7,834,550,373 | 60.27 |
| Hong Leong Bank Berhad | 2,065,228,411 | 15.89 |
| Public Bank Berhad | 1,403,029,000 | 10.79 |
| CIMB Bank Berhad | 534,675,610 | 4.11 |
| Hong Leong Investment Bank Berhad | 417,663,104 | 3.21 |
| RHB Investment Bank Berhad | 209,494,922 | 1.61 |
| AmBank (M) Berhad* | 150,341,890 | 1.16 |
| RHB Bank Berhad | 114,530,000 | 0.88 |
| Hong Leong Islamic Bank Berhad | 52,127,539 | 0.40 |
| Bank Islam Malaysia Berhad | 50,638,555 | 0.39 |
| Other brokers# | 167,897,438 | 1.29 |
| Totals | 13,000,176,842 | 100.00 |

* A financial institution related to the Manager.

Included in the category of others are transactions amounting to RM41,314,198 and RM25,000,000 with related parties, AmBank Islamic Berhad and AmInvestment Bank Berhad respectively.

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.

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.

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

18. FINANCIAL INSTRUMENTS (CONT'D.)

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

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM | Total RM |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------|----------------------|
| 2025 | | | | |
| Financial assets | | | | |
| Investments | 1,057,196,281 | - | - | 1,057,196,281 |
| Deposits with licensed financial institutions | - | 56,137,234 | - | 56,137,234 |
| Cash at bank | - | 10,874 | - | 10,874 |
| Total financial assets | 1,057,196,281 | 56,148,108 | - | 1,113,344,389 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 140,489 | 140,489 |
| Amount due to Trustee | - | - | 28,282 | 28,282 |
| Distribution payable | - | - | 3,645,232 | 3,645,232 |
| Total financial liabilities | - | - | 3,814,003 | 3,814,003 |
| 2024 | | | | |
| Financial assets | | | | |
| Investments | 1,122,553,018 | - | - | 1,122,553,018 |
| Deposit with licensed financial institution | - | 9,925,569 | - | 9,925,569 |
| Cash at bank | - | 10,560 | - | 10,560 |
| Total financial assets | 1,122,553,018 | 9,936,129 | - | 1,132,489,147 |
| Financial liabilities | | | | |
| Amount due to Manager | - | - | 141,938 | 141,938 |
| Amount due to broker | - | - | 5,173,870 | 5,173,870 |
| Amount due to Trustee | - | - | 28,573 | 28,573 |
| Distribution payable | - | - | 4,418,464 | 4,418,464 |
| Total financial liabilities | - | - | 9,762,845 | 9,762,845 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

18. FINANCIAL INSTRUMENTS (CONT'D.)

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

| | Income, expenses, gains and losses | |
|--------------------------------------------------------------|-----------------------------------------------|-------------------|
| | 2025 | 2024 |
| | RM | RM |
| Income, of which derived from: | | |
| - Interest income from financial assets at FVTPL | 43,266,509 | 45,746,996 |
| - Interest income from financial assets at amortised cost | 2,026,631 | 955,846 |
| Net gains from financial assets at FVTPL | <u>3,741,847</u> | <u>16,626,052</u> |

(b) Financial instruments that are carried at fair value

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

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|----------------|----------------------|----------------|----------------------|
| | RM | RM | RM | RM |
| 2025 | | | | |
| Financial assets at FVTPL | <u>-</u> | <u>1,057,196,281</u> | <u>-</u> | <u>1,057,196,281</u> |
| 2024 | | | | |
| Financial assets at FVTPL | <u>-</u> | <u>1,122,553,018</u> | <u>-</u> | <u>1,122,553,018</u> |

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

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:

- Deposits with licensed financial institutions
- Cash at bank
- Amount due to Manager
- Amount due to broker
- Amount due to Trustee
- Distribution payable

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

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, regulatory risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investments restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework 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 development.

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.

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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

(a) Market risk (cont'd.)

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

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

| Parallel shift in yield curve by: | Sensitivity of the Fund's NAV, or theoretical value | |
|-----------------------------------|--------------------------------------------------------|-------------------|
| | 2025 RM | 2024 RM |
| +100 bps | (47,837,243) | (41,153,112) |
| -100 bps | <u>49,813,208</u> | <u>42,735,074</u> |

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund can invest up to 100% of the NAV in fixed income instruments. As such the Fund would be exposed to the risk of bond issuers and licensed financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

(i) Credit quality of financial assets

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 March 2025 and 31 March 2024:

| Credit rating | RM | As a % of debt securities | As a % of NAV |
|---------------|----------------------|---------------------------------|------------------|
| 2025 | | | |
| AAA | 325,495,219 | 30.79 | 29.33 |
| AA | 706,198,902 | 66.80 | 63.65 |
| A | 20,258,152 | 1.92 | 1.83 |
| NR | 5,244,008 | 0.49 | 0.47 |
| | <u>1,057,196,281</u> | <u>100.00</u> | <u>95.28</u> |
| 2024 | | | |
| AAA | 453,709,944 | 40.42 | 40.40 |
| AA | 614,010,511 | 54.70 | 54.70 |
| A | 20,288,502 | 1.81 | 1.81 |
| NR | 34,544,061 | 3.07 | 3.08 |
| | <u>1,122,553,018</u> | <u>100.00</u> | <u>99.99</u> |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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

(b) Credit risk (cont'd.)

(i) Credit quality of financial assets (cont'd.)

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

| Credit rating | RM | As a % of deposits | As a % of NAV |
|----------------------|------------|---------------------------|----------------------|
| 2025 | | | |
| P1/MARC-1 | 56,137,234 | 100.00 | 5.06 |
| 2024 | | | |
| P1/MARC-1 | 9,925,569 | 100.00 | 0.88 |

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

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 March 2025 and 31 March 2024:

| Sector | RM | As a % of debt securities | As a % of NAV |
|-----------------------------|---------------|----------------------------------|----------------------|
| 2025 | | | |
| Basic materials | 10,286,749 | 0.97 | 0.93 |
| Communications services | 56,300,723 | 5.33 | 5.08 |
| Consumer discretionary | 53,707,767 | 5.08 | 4.85 |
| Consumer staples | 46,767,633 | 4.43 | 4.21 |
| Energy and utilities | 177,312,630 | 16.77 | 15.98 |
| Financial services | 247,633,061 | 23.42 | 22.31 |
| Health care and social work | 20,209,429 | 1.91 | 1.82 |
| Industrials | 45,800,182 | 4.33 | 4.13 |
| Public administration | 31,652,980 | 3.00 | 2.85 |
| Real estate | 209,239,377 | 19.79 | 18.86 |
| Transportation and storage | 158,285,750 | 14.97 | 14.26 |
| | 1,057,196,281 | 100.00 | 95.28 |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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

(b) Credit risk (cont'd.)

(i) Credit quality of financial assets (cont'd.)

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 March 2025 and 31 March 2024: (cont'd.)

| Sector | RM | As a % of debt securities | As a % of NAV |
|----------------------------|----------------------|------------------------------------------|--------------------------|
| 2024 | | | |
| Basic materials | 5,089,947 | 0.45 | 0.45 |
| Communications services | 109,638,352 | 9.77 | 9.77 |
| Consumer discretionary | 33,563,778 | 2.99 | 2.99 |
| Consumer staples | 42,823,859 | 3.81 | 3.81 |
| Energy and utilities | 208,440,086 | 18.57 | 18.57 |
| Financial services | 326,177,327 | 29.06 | 29.05 |
| Health care | 5,164,035 | 0.46 | 0.46 |
| Industrials | 10,531,786 | 0.94 | 0.94 |
| Public administration | 60,291,890 | 5.37 | 5.37 |
| Real estate | 110,686,920 | 9.86 | 9.86 |
| Transportation and storage | 210,145,038 | 18.72 | 18.72 |
| | <u>1,122,553,018</u> | <u>100.00</u> | <u>99.99</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.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holder. 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.

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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

(c) Liquidity risk (cont'd.)

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund:

| | Contractual cash flows (undiscounted) | | | | | |
|-----------------------------------------------|----------------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | 0 – 1 | 1 – 2 | 2 – 3 | 3 – 4 | 4 – 5 | More than |
| | year | years | years | years | years | 5 years |
| | RM | RM | RM | RM | RM | RM |
| 2025 | | | | | | |
| Financial assets | | | | | | |
| Investments | 78,706,739 | 70,953,903 | 122,712,433 | 187,809,255 | 192,898,604 | 622,188,043 |
| Deposits with licensed financial institutions | 56,678,768 | - | - | - | - | - |
| Cash at bank | 10,874 | - | - | - | - | - |
| Total financial assets | 135,396,381 | 70,953,903 | 122,712,433 | 187,809,255 | 192,898,604 | 622,188,043 |
| Financial liabilities | | | | | | |
| Amount due to Manager | 140,489 | - | - | - | - | - |
| Amount due to Trustee | 28,282 | - | - | - | - | - |
| Distribution payable | 3,645,232 | - | - | - | - | - |
| Total financial liabilities | 3,814,003 | - | - | - | - | - |

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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

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

(c) Liquidity risk (cont'd.)

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

| | Contractual cash flows (undiscounted) | | | | | |
|---------------------------------------------|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 0 – 1 | 1 – 2 | 2 – 3 | 3 – 4 | 4 – 5 | More than |
| | year | years | years | years | years | 5 years |
| | RM | RM | RM | RM | RM | RM |
| 2024 | | | | | | |
| Financial assets | | | | | | |
| Investments | 83,654,484 | 115,200,550 | 206,120,750 | 219,664,941 | 378,070,735 | 303,746,821 |
| Deposit with licensed financial institution | 9,925,569 | - | - | - | - | - |
| Cash at bank | 10,560 | - | - | - | - | - |
| Total financial assets | 93,590,613 | 115,200,550 | 206,120,750 | 219,664,941 | 378,070,735 | 303,746,821 |
| Financial liabilities | | | | | | |
| Amount due to Manager | 141,938 | - | - | - | - | - |
| Amount due to broker | 5,173,870 | - | - | - | - | - |
| Amount due to Trustee | 28,573 | - | - | - | - | - |
| Distribution payable | 4,418,464 | - | - | - | - | - |
| Total financial liabilities | 9,762,845 | - | - | - | - | - |

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

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

(d) Regulatory risk

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

(e) Management risk

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

(f) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

20. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its Information Memorandum;
- (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.

AmlIncome Institutional SRI 1
(formerly known as AmlIncome Institutional 1)

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 AmlIncome Institutional SRI 1 (formerly known as AmlIncome Institutional 1) (the “Fund”) as at 31 March 2025 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

WONG WENG TUCK
Executive Director

Kuala Lumpur, Malaysia
20 May 2025

TRUSTEE'S REPORT

TO THE UNIT HOLDER OF AMINCOME INSTITUTIONAL SRI 1 (FORMERLY KNOWN AS AMINCOME INSTITUTIONAL 1) ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 March 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong

Head, Fund Operations

Sylvia Beh

Chief Executive Officer

Kuala Lumpur

20 May 2025

DIRECTORY

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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.)*

