

Annual Report for

AmPRS - Tactical Bond

31 August 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

PRS Provider

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

Board of Directors

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

Investment Committee

Arnold Lim Boon Lay
Tracy Chen Wee Keng
Goh Wee Peng

Audit and Risk Management Committee

Ng Chih Kaye
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Jas Bir Kaur A/P Lol Singh
Azian Binti Kassim

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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PRS PROVIDER'S REPORT

Dear Members,

We are pleased to present you the PRS Provider's report and the audited accounts of AmPRS – Tactical Bond ("Fund") for the financial year ended 31 August 2024.

Salient Information of the Fund

Name	AmPRS – Tactical Bond ("Fund")
Category/Type	Feeder Fund (Bond) / Income and Growth
Objective	<p>The Fund aims to provide returns through income* and to a lesser extent capital appreciation by investing in the AmTactical Bond.</p> <p><i>Note:</i> * Income distribution (if any) will be reinvested in the form of units. Any material change to the investment objective of the Fund would require Members' approval.</p>
Performance Benchmark	Quantshop All MGS Index ("AMGS"), which is also the performance benchmark of the Target Fund (Available at www.aminvest.com)
Income Distribution Policy	<p>Subject to availability of income, distribution is paid twice every year and will be reinvested.</p> <p><i>Note: Income distribution (if any) will be in the form of units.</i></p>

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 August are as follows:			
		As at 31 August		
		2024 %	2023 %	2022 %
	Local Collective Investment Scheme	95.23	96.88	95.67
	Money market deposits and cash equivalents	4.77	3.12	4.33
	Total	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 August are as follows:			
		FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)			
	- Class D	1,782,804	1,680,870	1,758,979
	- Class I	1,809,880	1,452,067	1,425,511
	Units in circulation			

	FYE 2024	FYE 2023	FYE 2022
- Class D	3,121,386	2,998,271	2,984,498
- Class I	3,113,033	2,544,621	2,376,186
Net asset value per unit (RM)			
- Class D	0.5712	0.5606	0.5894
- Class I	0.5814	0.5706	0.5999
Highest net asset value per unit (RM)			
- Class D	0.5843	0.5872	0.6699
- Class I	0.5948	0.5977	0.6826
Lowest net asset value per unit (RM)			
- Class D	0.5612	0.5265	0.5772
- Class I	0.5713	0.5359	0.5882
Benchmark performance (%)			
- Class D	4.85	5.54	-0.39
- Class I	4.85	5.54	-0.39
Total return (%) ⁽¹⁾			
- Class D	1.89	-4.89	-10.35
- Class I	1.89	-4.88	-10.36
- Capital growth (%)			
- Class D	1.89	-4.89	-11.85
- Class I	1.89	-4.88	-11.94
- Income distribution (%)			
- Class D	-	-	1.50
- Class I	-	-	1.58
Gross distribution (sen per unit)			
- Class D	-	-	1.00
- Class I	-	-	1.08
Net distribution (sen per unit)			
- Class D	-	-	1.00
- Class I	-	-	1.08
Total expense ratio (%) ⁽²⁾	0.46	0.55	0.48
Portfolio turnover ratio (times) ⁽³⁾	0.10	0.04	0.06

Note:

- (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.
- (2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER decreased by 0.09% as compared to 0.55% per annum for the financial year ended 31 August 2023 mainly due to increase in average fund size.
- (3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2024 and decrease in 2023 were due mainly to investing activities.

Average Total Return (as at 31 August 2024)

	AmPRS - Tactical Bond Fund ^(a) %	AMGS ^(b) %
One year		
- Class D	1.89	4.85
- Class I	1.89	4.85
Three years		

	AmPRS - Tactical Bond Fund^(a)	AMGS^(b)
	%	%
- Class D	-4.58	3.30
- Class I	-4.58	3.30
Five years		
- Class D	-1.59	3.41
- Class I	-1.59	3.41
Ten years		
- Class D	2.49	4.31
- Class I	2.49	4.31

Annual Total Return

Financial Years Ended (31 August)	AmPRS - Tactical Bond Fund^(a)	AMGS^(b)
	%	%
2024		
- Class D	1.89	4.85
- Class I	1.89	4.85
2023		
- Class D	-4.89	5.54
- Class I	-4.88	5.54
2022		
- Class D	-10.35	-0.39
- Class I	-10.36	-0.39
2021		
- Class D	2.05	0.88
- Class I	2.05	0.88
2020		
- Class D	4.10	7.76
- Class I	4.11	7.76

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

(b) Quantshop All MGS Index ("AMGS") (Available at www.aminvest.com)

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

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

Fund Performance

Class D

For the financial year under review, the Fund registered a return of 1.89% which is entirely capital growth in nature.

Thus, the Fund's return of 1.89% has underperformed the benchmark's return of 4.85% by 2.96%.

As compared with the financial year ended 31 August 2023, the net asset value ("NAV") per unit of the Fund increased by 1.89% from RM0.5606 to RM0.5712, while units in circulation increased by 4.11% from 2,998,271 units to 3,121,386 units.

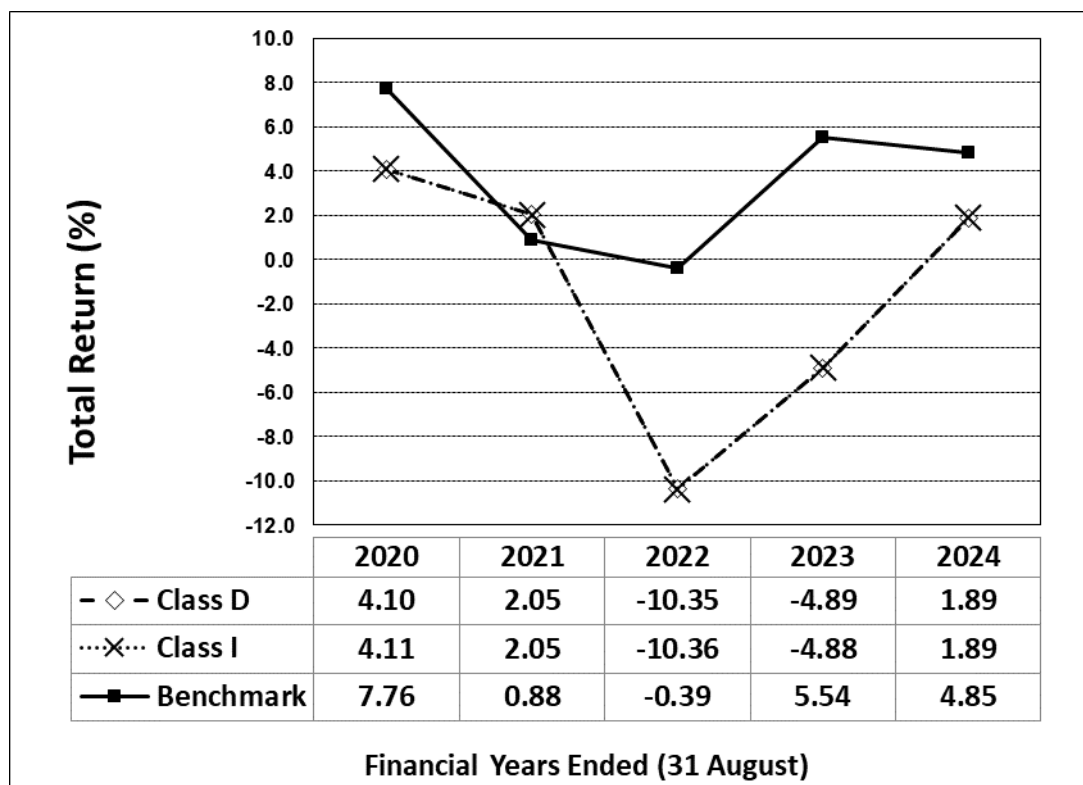
Class I

For the financial year under review, the Fund registered a return of 1.89% which is entirely capital growth in nature.

Thus, the Fund's return of 1.89% has underperformed the benchmark's return of 4.85% by 2.96%.

As compared with the financial year ended 31 August 2023, the net asset value ("NAV") per unit of the Fund increased by 1.89% from RM0.5706 to RM0.5814, while units in circulation increased by 22.34% from 2,544,621 units to 3,113,033 units.

The following line chart shows comparison between the annual performances of AmPRS - Tactical Bond Fund for Class D and Class I and its benchmark, AMGS, for the financial years ended 31 August.



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

Strategies and Policies Employed

For the financial year under review, the Fund invested a minimum of 85% of the Fund's NAV in the AmTactical Bond ("Target Fund"). This implies that the Fund has a passive strategy.

Portfolio Structure	The table below is the asset allocation of the Fund as at 31 August 2024 and 31 August 2023.			
		As at 31.08.2024 %	As at 31.08.2023 %	Changes %
	Local Collective Investment Scheme	95.23	96.88	-1.65
	Money market deposits and cash equivalents	4.77	3.12	1.65
	Total	100.00	100.00	
	For the financial year under review, the Fund has invested 95.23% of its NAV in the local collective investment scheme and the balance of 4.77% of its NAV in money market deposits and cash equivalents.			
Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).			
Cross Trades	There were no cross trades undertaken during the financial year under review.			
Distribution/ Unit splits	There is no income distribution and unit split declared for the financial year under review.			
State of Affairs	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the members during the financial year under review.			
Rebates and Soft Commission	During the year, the private retirement scheme provider did not receive soft commissions by virtue of transactions conducted for the Fund.			
Market Review	<p>In the beginning of the period under review, domestic bond market was volatile. The lack of catalyst in the local bond market sent Malaysian Government Securities (MGS) yields to slowly drift higher as global bond market sentiment weakened when the “higher for longer” narrative in United States (US) took center stage. Both 10-year and 30-year United States Treasuries (UST) briefly touching the 5.00% psychological level in October 2023.</p> <p>However, sentiment in the local bond market shifted to a positive stance in November 2023, buoyed by a subsequent rally in UST on the back of a slew of underwhelming macro data releases, the Israel-Hamas crisis and a dovish guidance from the December Federal Open Market Committee (FOMC). The bullish sentiment and strong domestic liquidity continued to lend support to the bond market in 1Q2024 until MGS yields repriced higher in April 2024 following a sell-off in UST on stronger than expected inflation and job data.</p> <p>The sell-off in the local bond market was then reversed in end-April, tracked the better performance in the UST. Economic data releases from the US were generally supportive of the bond market, indicating a cooling labour market and a continued disinflation trend. Moving towards the month of August 2024, investors digested comments from Federal Reserve (Fed) Chair Jerome Powell, who suggested a September rate cut was on the table, along with a jump in US jobless claims, the 10-year UST yield fell below 4% for the first time since February.</p>			

	Overall, the MGS curve ended lower year-on-year (YoY) driven by ample domestic liquidity and movement in the UST.
Market Outlook	<p>All eyes will be on the upcoming United States (US) Federal Reserve (Fed) meeting where consensus is that the Fed will finally cut interest rates. We expect emerging bond markets to rally on the back of strengthening local currencies attracting foreign inflows and that globally, central banks would also embark on rates easing.</p> <p>Although the domestic bond market has rallied since the beginning of the year, we expect sentiments to remain bullish owing to ample market liquidity with strong demand on bonds on an extended pause on the Overnight Policy Rate (OPR) by Bank Negara Malaysia (BNM).</p>
Additional Information	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) The Third Supplementary Disclosure Document dated 2 September 2024 for AmPRS has been issued to inform Members of the following, but not limited to: <ul style="list-style-type: none"> • the updates to the definitions section; • the updates to the corporate directory section; • the updates to the distribution policy of the fund; and • the updates to the specific risks associated with the fund. 2) The updates to the definition of "Unclaimed Moneys" should be read as follows: <p>"Any moneys payable to you which remains unclaimed (hereinafter referred to as unclaimed amount) for the last twenty-four (24) months or such period as may be advised from the date of payment will be paid to the Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter, all claims need to be made to the Registrar of Unclaimed Moneys.</p> <p>Where a Member of PRS has not made any transaction or instruction in relation to any PRS for more than twenty-four (24) months subsequent to attaining the age of 100 years, the Trustee may pay any unclaimed accrued benefit held by the Trustee (upon instruction and PPA's approval is obtained by the PRS Provider) to the Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Members may claim the unclaimed amount from the Registrar of Unclaimed Moneys."</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

24 October 2024

Independent auditors' report to the members of AmPRS – Tactical Bond

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmPRS - Tactical Bond (the “Fund”), which comprise the statement of financial position as at 31 August 2024, and statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 33.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Provider of the Fund (the “Provider”) 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 members of
AmPRS – Tactical Bond (cont'd.)**

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

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

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

Responsibilities of the Provider and the Trustee for the financial statements

The Provider is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Provider is also responsible for such internal control as the Provider 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 Provider 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 Provider either intends to liquidate the Fund or to cease operations, or has no realistic alternative to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Provider 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 members of
AmPRS – Tactical Bond (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 Provider.
- Conclude on the appropriateness of the Provider'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 Provider 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 members of
AmPRS – Tactical Bond (cont'd.)**

Other matters

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

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

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

Kuala Lumpur, Malaysia
24 October 2024

AmPRS – Tactical Bond

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	Note	2024 RM	2023 RM
ASSETS			
Investment	4	3,421,295	3,035,156
Amount due from Provider	5(a)	348	-
Amount due from broker	6	199,970	-
Cash at bank		181,314	105,308
TOTAL ASSETS		3,802,927	3,140,464
LIABILITIES			
Amount due to Provider	5(b)	202,761	88
Amount due to Trustee	7	128	106
Amount due to Private Pension Administrator ("PPA")	8	128	106
Sundry payables and accruals		7,226	7,227
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)		210,243	7,527
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO MEMBERS		3,592,684	3,132,937
NET ASSETS ATTRIBUTABLE TO MEMBERS OF THE FUND COMPRISE:			
Members' contribution	10(a)(b)	3,915,325	3,516,216
Accumulated losses	10(c)(d)	(322,641)	(383,279)
	10	3,592,684	3,132,937
NET ASSET VALUE			
- Class D		1,782,804	1,680,870
- Class I		1,809,880	1,452,067
		3,592,684	3,132,937
UNITS IN CIRCULATION			
- Class D	10(a)	3,121,386	2,998,271
- Class I	10(b)	3,113,033	2,544,621
NAV PER UNIT (RM)			
- Class D		0.5712	0.5606
- Class I		0.5814	0.5706

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

AmPRS – Tactical Bond

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

	Note	2024 RM	2023 RM
INVESTMENT INCOME/(LOSS)			
Distribution income		30,393	-
Interest income		3,364	2,448
Net gain/(loss) from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	<u>43,716</u>	<u>(134,380)</u>
		<u>77,473</u>	<u>(131,932)</u>
EXPENDITURE			
Management fee	5	(1,408)	(1,132)
Trustee’s fee	7	(1,461)	(1,222)
PPA administrative fee	8	(1,461)	(1,222)
Audit fee		(4,500)	(4,500)
Tax agent’s fee		(2,500)	(2,500)
Other expenses		<u>(5,505)</u>	<u>(6,124)</u>
		<u>(16,835)</u>	<u>(16,700)</u>
Net income/(loss) before taxation		60,638	(148,632)
Taxation	12	<u>-</u>	<u>-</u>
Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year		<u>60,638</u>	<u>(148,632)</u>
Total comprehensive income/(loss) comprises the following:			
Realised losses	10(c)	(2,010)	(26,158)
Unrealised gain/(loss)	10(d)	<u>62,648</u>	<u>(122,474)</u>
		<u>60,638</u>	<u>(148,632)</u>

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

AmPRS – Tactical Bond

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	Members' contribution – Class D RM	Members' contribution – Class I RM	Accumulated losses RM	Total RM
At 1 September 2023		1,890,611	1,625,605	(383,279)	3,132,937
Total comprehensive income for the financial year		-	-	60,638	60,638
Creation of units	10(a)(b)	174,679	672,690	-	847,369
Cancellation of units	10(a)(b)	(104,806)	(343,454)	-	(448,260)
Balance at 31 August 2024		<u>1,960,484</u>	<u>1,954,841</u>	<u>(322,641)</u>	<u>3,592,684</u>
At 1 September 2022		1,885,614	1,533,523	(234,647)	3,184,490
Total comprehensive loss for the financial year		-	-	(148,632)	(148,632)
Creation of units	10(a)(b)	177,588	158,365	-	335,953
Cancellation of units	10(a)(b)	(172,591)	(66,283)	-	(238,874)
Balance at 31 August 2023		<u>1,890,611</u>	<u>1,625,605</u>	<u>(383,279)</u>	<u>3,132,937</u>

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

AmPRS – Tactical Bond**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	-	66,000
Purchases of investment	(512,000)	(189,000)
Interest received	3,364	2,448
Management fee paid	(1,363)	(1,168)
Trustee's fee paid	(1,439)	(1,225)
PPA administrative fee paid	(1,439)	(1,225)
Tax agent's fee paid	(2,500)	(2,500)
Payments for other expenses	(10,007)	(13,594)
Net cash used in operating and investing activities	<u>(525,384)</u>	<u>(140,264)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	847,021	335,953
Payments for cancellation of units	<u>(245,631)</u>	<u>(240,056)</u>
Net cash generated from financing activities	<u>601,390</u>	<u>95,897</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	76,006	(44,367)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>105,308</u>	<u>149,675</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>181,314</u>	<u>105,308</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>181,314</u>	<u>105,308</u>

AmPRS – Tactical Bond

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

1. GENERAL INFORMATION

AmPRS – Tactical Bond (the “Fund”) was established pursuant to a Deed dated 4 December 2012 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the PRS Provider (the “Provider”), Deutsche Trustees Malaysia Berhad as the Trustee and all members.

The Fund aims to provide returns through income and to a lesser extent capital appreciation by investing in the AmTactical Bond (“Target Fund”), a Fund managed by the Provider. Being a feeder fund, a minimum of 85% of the Fund’s NAV will be invested in the Target Fund. As provided in the Deed, the financial year shall end on 31 August and the units in the Fund were first offered for sale on 25 November 2013.

The financial statements were authorised for issue by the Provider on 24 October 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Standards effective during the financial year

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

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

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

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

Standards issued but not yet effective

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

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

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

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Income recognition

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

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

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

3.1 Income recognition (cont'd.)

(i) Distribution income

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

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(iii) Gain or loss on disposal of investment

On disposal of investment, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investment. 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 investment that are readily convertible to cash with insignificant risk of changes in value.

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

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

3.5 Members' contribution

The members' contribution of the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of members is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liability.

The Fund issues cancellable units in two classes. Details are disclosed in Note 10.

3.6 Distribution

Distribution is at the discretion of the Provider. A distribution to the Fund's members is accounted for as a deduction from realised income as finance cost - distributions to members and recognised in the statement of comprehensive income, as the members' contribution are classified as financial liability as per Note 3.5. Realised income is the income earned from distribution income, interest income and net gain on disposal of investment 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 members on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

3.7 Financial instruments – initial recognition and measurement

(i) Initial recognition

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

(ii) Initial measurement

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

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

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

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

(iii) “Day 1” profit or loss

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

3.8 Financial assets

Classification and measurement

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

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at bank, amount due from Provider, amount due from Target Fund 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 AUGUST 2024**

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". Distribution revenue and interest earned elements of such instruments are recorded separately in "Distribution income" and "Interest income" respectively.

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

The Fund subsequently measures its investment in Collective Investment Scheme ("CIS") at FVTPL. Distributions earned whilst holding the investment is recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investment, realised and unrealised, are included in profit or loss.

3.9 Financial liabilities – classification and subsequent measurement

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

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

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

3.10 Derecognition of financial instruments

(i) Derecognition of financial asset

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

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either:
 - the Fund has transferred substantially all the risks and rewards of the asset, or
 - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 the investment in CIS, fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the quoted price that the Fund paid when buying its investment. The difference between purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

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

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

3.13 Classification of realised and unrealised gains and losses

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

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

3.14 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Provider 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 investment as financial assets at FVTPL as the Fund may sell its investment in the short-term for profit-taking or to meet members' cancellation of units.

No major judgments have been made by the Provider 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. INVESTMENT

	2024	2023
	RM	RM
Financial asset at FVTPL		
At cost:		
CIS	<u>3,754,521</u>	<u>3,431,030</u>
At fair value:		
CIS	<u>3,421,295</u>	<u>3,035,156</u>

AmPRS – Tactical Bond

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

4. INVESTMENT (CONT'D.)

Details of investment are as follows:

CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
2024				
AmTactical Bond ("Target Fund")	<u>3,406,307</u>	<u>3,421,295</u>	<u>3,754,521</u>	<u>95.23</u>
Shortfall of fair value over purchased cost		<u>(333,226)</u>		

5. AMOUNT DUE FROM/TO PROVIDER

	Note	2024 RM	2023 RM
(a) Due from Provider			
Creation of units	(i)	<u>348</u>	<u>-</u>
(b) Due to Provider			
Cancellation of units	(ii)	202,629	-
Management fee payable	(iii)	<u>132</u>	<u>88</u>
		<u>202,761</u>	<u>88</u>

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

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

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

(iii) As the Fund is investing in the Target Fund, management fee is charged as follows:

	2024 % p.a.	2023 % p.a.
Management fee charged by the Provider, on the NAV of the Target Fund	1.00	1.00
Management fee chargeable by the Provider, on the remaining NAV of the Fund for both Class D and Class I (Note a)	1.00	1.00

AmPRS – Tactical Bond

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

5. AMOUNT DUE FROM/TO PROVIDER (CONT'D.)

Note a) The management fee is charged on 1.00% of the remaining NAV of the Fund.

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

6. AMOUNT DUE FROM BROKER

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

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2023: 0.04%) per annum for both Class D and Class I on the NAV of the Fund, calculation on a daily basis.

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

8. AMOUNT DUE TO PPA

PPA administrative fee is at a rate of 0.04% (2023: 0.04%) per annum for both Class D and Class I on the NAV of the Fund, calculated on a daily basis.

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

9. NET GAIN/(LOSS) FROM INVESTMENT

	2024 RM	2023 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised losses on sale of investment	(18,932)	(11,906)
– Net unrealised gain/(loss) on changes in fair value of investment	62,648	(122,474)
	<u>43,716</u>	<u>(134,380)</u>

AmPRS – Tactical Bond

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

10. NAV ATTRIBUTABLE TO MEMBERS

Total NAV attributable to members is represented by:

	Note	2024 RM	2023 RM
Members' contribution - Class D	(a)	1,960,484	1,890,611
Members' contribution - Class I	(b)	1,954,841	1,625,605
Accumulated losses			
– Realised income	(c)	10,585	12,595
– Unrealised losses	(d)	(333,226)	(395,874)
		<u>3,592,684</u>	<u>3,132,937</u>

The Fund issues cancellable units in two classes as detailed below:

Classes of units	Currency denomination	Categories of investors	Distribution policy
Class D	RM	Distributor appointed by the PRS Provider	Paid twice every year and will be reinvested, subject to availability of income
Class I	RM	Employer-Sponsored Retirement Scheme and also employees of any employers with prior arrangement with the PRS Provider	Paid twice every year and will be reinvested, subject to availability of income

The different charges and features for each class is as follows:

- (i) Sales charge

(a) Members' contribution/Units in circulation – Class D

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	2,998,271	1,890,611	2,984,498	1,885,614
Creation during the financial year	304,638	174,679	328,642	177,588
Cancellation during the financial year	(181,523)	(104,806)	(314,869)	(172,591)
At end of the financial year	<u>3,121,386</u>	<u>1,960,484</u>	<u>2,998,271</u>	<u>1,890,611</u>

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

10. NAV ATTRIBUTABLE TO MEMBERS (CONT'D.)

(b) Members' contribution/Units in circulation – Class I

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	2,544,621	1,625,605	2,376,186	1,533,523
Creation during the financial year	1,156,710	672,690	286,296	158,365
Cancellation during the financial year	<u>(588,298)</u>	<u>(343,454)</u>	<u>(117,861)</u>	<u>(66,283)</u>
At end of the financial year	<u>3,113,033</u>	<u>1,954,841</u>	<u>2,544,621</u>	<u>1,625,605</u>

(c) Realised - distributable

	2024 RM	2023 RM
At beginning of the financial year	12,595	38,753
Net realised losses for the financial year	<u>(2,010)</u>	<u>(26,158)</u>
At end of the financial year	<u>10,585</u>	<u>12,595</u>

(d) Unrealised - non-distributable

	2024 RM	2023 RM
At beginning of the financial year	(395,874)	(273,400)
Net unrealised gain/(loss) for the financial year	<u>62,648</u>	<u>(122,474)</u>
At end of the financial year	<u>(333,226)</u>	<u>(395,874)</u>

11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties

AmFunds Management Berhad
AmInvestment Bank Berhad
AMMB Holdings Berhad ("AMMB")
Subsidiaries and associates of AMMB as disclosed in its financial statements

Relationships

The Provider
Holding company of the Provider
Ultimate holding company of the Provider
Subsidiaries and associate companies of the ultimate holding company of the Provider

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

11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONT'D.)

There are no units held by the Provider or any other related party as at 31 August 2024 and 31 August 2023.

12. TAXATION

Pursuant to Paragraph 20 of Schedule 6 to the Income Tax Act (“ITA”), any income received by an approved scheme as defined under Section 2 of the ITA is exempted from income tax.

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

	2024	2023
	RM	RM
Net income/(loss) before taxation	<u>60,638</u>	<u>(148,632)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	14,553	(35,672)
Tax effects of:		
Income not subject to tax	(23,138)	(587)
Losses not allowed for tax deduction	4,544	32,251
Restriction on tax deductible expenses	1,330	1,270
Non-permitted expenses for tax purposes	2,563	2,597
Permitted expenses not used and not available for future financial years	<u>148</u>	<u>141</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

13. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	2024	2023
	% p.a.	% p.a.
Management fee	0.04	0.04
Trustee’s fee	0.04	0.04
PPA administrative fee	0.04	0.04
Fund’s other expenses	<u>0.34</u>	<u>0.43</u>
Total TER	<u>0.46</u>	<u>0.55</u>

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

AmPRS – Tactical Bond

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

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investment to the average NAV of the Fund calculated on a daily basis, is 0.10 times (2023: 0.04 times).

15. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 85% of the Fund's NAV will be invested in the Target Fund.

As the Fund invests primarily in the CIS, it is not possible or meaningful to classify its investment by separate business or geographical segments. A summary of the investment portfolio of the CIS is disclosed in Note 4.

16. TRANSACTIONS WITH THE PROVIDER

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

The Provider	Transaction value	
	RM	%
AmFunds Management Berhad	742,363	100.00

The Provider 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 investment in CIS. Transactions in this investment do not involve any commission or brokerage fee.

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2024				
Financial assets				
Investment	3,421,295	-	-	3,421,295
Amount due from Provider	-	348	-	348
Amount due from broker	-	199,970	-	199,970
Cash at bank	-	181,314	-	181,314
Total financial assets	3,421,295	381,632	-	3,802,927
Financial liabilities				
Amount due to Provider	-	-	202,761	202,761
Amount due to Trustee	-	-	128	128
Amount due to PPA	-	-	128	128
Total financial liabilities	-	-	203,017	203,017
2023				
Financial assets				
Investment	3,035,156	-	-	3,035,156
Cash at bank	-	105,308	-	105,308
Total financial assets	3,035,156	105,308	-	3,140,464
Financial liabilities				
Amount due to Provider	-	-	88	88
Amount due to Trustee	-	-	106	106
Amount due to PPA	-	-	106	106
Total financial liabilities	-	-	300	300
			Income, expense, gains and losses	
			2024	2023
			RM	RM
Net gain/(loss) from financial assets at FVTPL			43,716	(134,380)
Income, of which derived from:				
– Distribution income from financial assets at FVTPL			30,393	-
– Interest income from financial assets at amortised cost			3,364	2,448

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

17. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value

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

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial assets at FVTPL	-	3,421,295	-	3,421,295
2023				
Financial assets at FVTPL	-	3,035,156	-	3,035,156

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

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

- Amount due from/to Provider
- Amount due from broker
- Cash at bank
- Amount due to Trustee
- Amount due to PPA

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.

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

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investment coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Private Retirement Schemes and the Deed as the backbone of risk management of the Fund.

(a) Market risk

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

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

(i) Price risk

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

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

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(171,065)	(151,758)
+5.00%	171,065	151,758

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to distribution receivables. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investment to fluctuate in value.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund manages the risk by setting internal counterparty limits and undertaking internal credit evaluation to minimise such risk.

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

**NOTES TO THE FINANCIAL STATEMENTS
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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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 members. Liquid assets comprise of cash at banks, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

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

(d) Single issuer risk

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund is restricted from investing in securities issued by any issuer in excess of a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed by the Target Fund Manager based on internal/external ratings.

(e) Regulatory risk

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

(f) Management risk

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

(g) Non-compliance risk

This is the risk of the Provider 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.

The specific risks associated to the Target Fund include market risk, securities risk, emerging market risk, settlement and credit risks, regulatory and accounting standards risks, political risk, custody risk and liquidity risk.

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

19. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

- (a) To invest in investment meeting the description, risk exposure and expected return indicated in its Disclosure Document;
- (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.

AmPRS – Tactical Bond

STATEMENT BY THE PROVIDER

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

For and on behalf of the Provider

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

24 October 2024

THE SCHEME TRUSTEE'S REPORT

TO THE MEMBERS OF AMPRS-TACTICAL BOND ("Fund")

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

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
24 October 2024

DIRECTORY

Head Office 9th & 10th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Email: enquiries@aminvest.com

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

Distributors

For more details on the list of distributors, please contact the PRS Provider.

*For enquiries about this Scheme and any other funds offered by the PRS Provider
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday-Thursday)
Friday 8.45 a.m. to 5.00 p.m.*

