

Semi-Annual Report for

AmTactical Bond

28 February 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
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Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmTactical Bond ("Fund") for the financial period from 1 September 2024 to 28 February 2025.

Salient Information of the Fund

Name	AmTactical Bond ("Fund")
Category/ Type	Bond / Income and Growth
Objective	<p>The Fund aims to provide income* and to a lesser extent capital appreciation by investing primarily in bonds.</p> <p><i>Notes:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i> <i>*Income distribution (if any) will be reinvested.</i></p>
Duration	The Fund was established on 29 October 2012 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
Performance Benchmark	<p>Quantshop All MGS Index ("All MGS"). (Available at www.aminvest.com)</p> <p><i>Note: There is no specific index available in the market that is applicable for the Fund. As the Fund is a bond fund that invests primarily in a mixture of domestic and foreign sovereign, quasi-sovereign and corporate bonds, hence this index is chosen as it is widely used as benchmark for bond funds in the Malaysia market. The risk profile of the performance benchmark is not the same as the risk profile of the Fund. The Fund is expected to outperform the Quantshop All MGS Index.</i></p>
Income Distribution Policy	<p><u>Class B (MYR)</u></p> <p>Subject to availability of income, distribution is paid twice every year and will be reinvested into additional units of the respective Class.</p> <p><i>Note: Income distribution amount (if any) for each of the Classes would be different subject to sole discretion of the Manager.</i></p>

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 28 February 2025 and for the past three financial years are as follows:				
		As at 28.02.2025 %	As at 31 August		
			2024 %	2023 %	2022 %
	Local corporate bonds	43.68	54.40	42.17	47.36
	Foreign corporate bonds	34.07	24.61	21.53	34.97
	Foreign Government bonds	6.97	7.66	6.01	10.92
	Malaysian Government Securities	-	2.68	10.61	-
	Forward contract	-	-	-	-0.09
	Money market deposits and cash equivalents	15.28	10.65	19.68	6.84
	Total	100.00	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 period ended 28 February 2025 and three financial years ended 31 August are as follows:				
		FPE 28.02.2025	FYE 2024	FYE 2023	FYE 2022
	Net asset value (RM)	39,003,362	39,678,648	50,941,065	59,376,518
	Units in circulation	38,140,735	39,364,522	51,468,660	57,072,898
	Net asset value per unit (RM)	1.0226	1.0080	0.9897	1.0404
	Highest net asset value per unit (RM)	1.0226	1.0282	1.0342	1.1719
	Lowest net asset value per unit (RM)	0.9936	0.9908	0.9238	0.9978
	Benchmark performance (%)	1.66	4.85	5.54	-0.39
	Total return (%) ⁽¹⁾	3.23	2.34	-4.68	-10.27
	- Capital growth (%)	1.85	1.47	-4.68	-11.27
	- Income distribution (%)	1.38	0.87	-	1.00
	Gross distribution (RM sen per unit)	1.3945	0.9433	-	1.1700
	Net distribution (RM sen per unit)	1.3945	0.8584	-	1.1700
	Total expenses ratio (%) ⁽²⁾	0.57	1.13	1.12	1.09
	Portfolio turnover ratio (times) ⁽³⁾	0.45	0.78	0.96	0.31
	<i>Note:</i>				
	(1) Total return is the actual return of the Fund for the respective financial period/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.				

Average Total Return (as at 28 February 2025)

Class B (MYR)	AmTactical Bond^(a) %	Benchmark^(b) %
One year	2.24	4.26
Three years	-1.61	4.08
Five years	-1.38	2.78
Ten years	3.09	4.24

Annual Total Return

Financial Years Ended (31 August) Class B (MYR)	AmTactical Bond^(a) %	Benchmark^(b) %
2024	2.34	4.85
2023	-4.68	5.54
2022	-10.27	-0.39
2021	2.60	-0.41
2020	4.73	7.76

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

(b) Quantshop All MGS Index ("All MGS"). (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 B (MYR)**

For the financial period under review, the Fund registered a return of 3.23% comprising of 1.85% capital growth and 1.38% income distribution.

Thus, the Fund's return of 3.23% has outperformed the benchmark's return of 1.66% by 1.57%.

As compared with the financial year ended 31 August 2024, the net asset value ("NAV") per unit of the Fund increased by 1.45% from RM1.0080 to RM1.0226, while units in circulation decreased by 3.11% from 39,364,522 units to 38,140,735 units.

The following line chart shows comparison between the annual performances of AmTactical Bond – Class B (MYR) and its benchmark for the financial years ended 31 August.

Cross Trades	There were no cross trades undertaken during the financial period under review.			
Distribution/ unit splits	During the financial period under review, the Fund declared income distribution, detailed as follows:			
	Date of distribution	Distribution per unit RM (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)
	25-Oct-24	1.3945	1.0122	0.9982
	There is no unit split declared for the financial period under review.			
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.			
Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.			
Market Review	<p>In September, Malaysian Government Securities (MGS) yields fell across the curve, in line with falling United States Treasuries (UST) yields following a larger-than-expected US Fed Fund Rate (FFR) cut, while Bank Negara Malaysia (BNM) held the overnight policy rate (OPR) steady at 3.00% as expected. Investor turned bearish bias in October, driven by a sell-off in UST amid uncertainties surrounding the US presidential election and prospect of a slower rate cut by the US Federal Reserve (Fed). Despite the tabling of Budget 2025 which projected a narrower fiscal deficit of 3.8% of gross domestic product (GDP), sentiment remained weak.</p> <p>However, in November, the narrative of the global financial markets was dominated by the impact from the 2024 US Presidential Election, which heightened inflation fears and reduced expectations of the US Fed rate cut. This sent bond yields soaring as the US Treasury 10 Year yield closed 15 bps higher on the election results day at 4.43%. The local bond market rallied as investor were influenced by similar bullish sentiment in UST, coupled with BNM announcement of the cancellation of the 3-year GII. The lower government bond supply in the market resulted in a buoyant sentiment with MGS yields fell between 5 and 15bps on month-on-month (MoM) basis.</p> <p>Meanwhile, December saw softer trading amidst profit taking activities in Malaysia bond market on the back of bearish global bond backdrop, driven by the US Fed's more hawkish policy guidance and higher-than-expected inflation expectations and partly contributed by lack of liquidity in second half of December. This despite positive news from on the announcement of a much smaller than expected final government bond auction for the year.</p> <p>In January, Ringgit government bonds started the year slightly stronger with decent bids as market participants began to build up inventories as one auction was cancelled in December while another at smaller size. Meanwhile, in the US, the lower-than-expected inflation prints fueled a relief rally in UST but local bond market remained largely stable. During the first Monetary Policy Committee (MPC) meeting of the year, BNM maintained the OPR at 3.00% as expected, premised on outlook of sustained domestic economic growth and manageable inflation. Despite volatility in the US Treasury market, the local bond market remained calm and supportive in February, buoyed by less hawkish pricing of US Treasuries and better regional sentiment from the continued pause in Trump tariffs during the month.</p>			

Market Outlook	<p>Bank Negara Malaysia is expected to maintain its current policy rates throughout 2025. This stability in interest rates is anticipated to support the bond market, as it reduces uncertainty and volatility.</p> <p>We will configure the portfolios at a slight overweight in duration against the benchmark while identifying bonds along the yield curve that are undervalued compared to their peers. We will focus on corporate bonds to balance credit quality and sector exposure, ensuring diversification to mitigate risks associated with any single sector.</p>
Additional Information	<p>The Twelfth Supplementary Master Prospectus dated 27 March 2025 has been registered with the Securities Commission Malaysia. The issuance of Twelfth Supplementary Master Prospectus is to update the distribution policy for AmTactical Bond. Notice of the issuance for the Twelfth Supplementary Master Prospectus dated 27 March 2025 has been published on our website at www.aminvest.com and sent to the Unit Holders on 7 April 2025.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 April 2025

AmTactical Bond**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2025**

	Note	28.02.2025 (unaudited) RM	31.08.2024 (audited) RM
ASSETS			
Investments	4	33,044,041	35,453,139
Interest receivable		-	75,565
Tax recoverable		218,974	156,654
Deposits with licensed financial institutions	5	5,770,864	4,394,669
Cash at banks		152,368	149,305
TOTAL ASSETS		39,186,247	40,229,332
LIABILITIES			
Amount due to Manager	6	169,091	535,821
Amount due to Trustee	7	1,743	2,080
Sundry payables and accruals		12,051	12,783
TOTAL LIABILITIES		182,885	550,684
NET ASSET VALUE ("NAV") OF THE FUND		39,003,362	39,678,648
EQUITY			
Unit holders' capital	9(a)	51,384,297	52,613,165
Accumulated losses	9(b)(c)	(12,380,935)	(12,934,517)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	39,003,362	39,678,648
UNITS IN CIRCULATION			
- Class B(MYR)	9(a)	38,140,735	39,364,522
NAV PER UNIT (RM)			
- Class B(MYR)		1.0226	1.0080

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

AmTactical Bond

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

	Note	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
INVESTMENT INCOME			
Interest income		1,008,437	1,264,426
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	225,403	635,046
Other net realised gains on foreign currency exchange		74,989	104,972
Other net unrealised loss on foreign currency exchange		(175)	-
		<u>1,308,654</u>	<u>2,004,444</u>
EXPENDITURE			
Manager’s fee	6	(191,489)	(257,482)
Trustee’s fee	7	(11,489)	(15,449)
Audit fee		(3,956)	(3,970)
Tax agent’s fee		(2,033)	(2,039)
Custodian’s fee		(1,895)	(2,093)
Other expenses		(7,619)	(9,047)
		<u>(218,481)</u>	<u>(290,080)</u>
Net income before taxation		1,090,173	1,714,364
Taxation	11	-	(28,661)
Net income after taxation, representing total comprehensive income for the financial period		<u>1,090,173</u>	<u>1,685,703</u>
Total comprehensive income comprises the following:			
Realised income		988,256	844,384
Unrealised gains		101,917	841,319
		<u>1,090,173</u>	<u>1,685,703</u>
Distribution for the financial period			
Net distribution	12	<u>536,591</u>	-
Gross distribution per unit (sen)	12	<u>1.3945</u>	-
Net distribution per unit (sen)	12	<u>1.3945</u>	-

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

AmTactical Bond**STATEMENT OF CHANGES IN EQUITY (Unaudited)****FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 September 2024		52,613,165	(12,934,517)	39,678,648
Total comprehensive income for the financial period		-	1,090,173	1,090,173
Creation of units	9(a)	3,581,044	-	3,581,044
Reinvestment of distribution	9(a)	536,591	-	536,591
Cancellation of units	9(a)	(5,346,503)	-	(5,346,503)
Distribution	12	-	(536,591)	(536,591)
Balance at 28 February 2025		<u>51,384,297</u>	<u>(12,380,935)</u>	<u>39,003,362</u>
At 1 September 2023		64,978,924	(14,037,859)	50,941,065
Total comprehensive income for the financial period		-	1,685,703	1,685,703
Creation of units		3,605,826	-	3,605,826
Cancellation of units		<u>(3,225,556)</u>	-	<u>(3,225,556)</u>
Balance at 29 February 2024		<u>65,359,194</u>	<u>(12,352,156)</u>	<u>53,007,038</u>

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

AmTactical Bond**STATEMENT OF CASH FLOWS (Unaudited)****FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	18,790,449	19,666,799
Purchases of investments	(16,013,975)	(18,837,317)
Net settlement from derivative contracts	-	(213,000)
Interest received	1,016,842	1,375,526
Manager's fee paid	(195,280)	(261,736)
Trustee's fee paid	(11,826)	(15,537)
Custodian's fee paid	(1,895)	(2,093)
Tax paid	(62,320)	(111,732)
Payments for other expenses	(14,339)	(15,633)
Net cash generated from operating and investing activities	<u>3,507,656</u>	<u>1,585,277</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	3,581,044	3,522,897
Payments for cancellation of units	(5,709,442)	(3,273,598)
Net cash (used in)/generated from financing activities	<u>(2,128,398)</u>	<u>249,299</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,379,258</u>	<u>1,834,576</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>4,543,974</u>	<u>10,173,797</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>5,923,232</u>	<u>12,008,373</u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	5,770,864	11,670,446
Cash at banks	152,368	337,927
	<u>5,923,232</u>	<u>12,008,373</u>

AmTactical Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

1. GENERAL INFORMATION

AmTactical Bond (the “Fund”) was established pursuant to a Deed dated 23 March 2012 as amended by the Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to provide income and to a lesser extent capital appreciation by investing primarily in bonds. As provided in the Deeds, the financial year shall end on 31 August. The units in the Fund for Class B (MYR) were first offered for sale on 29 October 2012, while Class A (USD), Class B (AUD) and Class B (SGD) were first offered for sales on 16 July 2014. There were no units in circulation for Class A (USD), Class B (AUD) and Class B (SGD) since its offer date and those units were terminated on 31 August 2018.

The financial statements were authorised for issue by the Manager on 18 April 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 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

Standards effective during the financial period

The adoption of the following MFRS and amendments to MFRS which became effective during the financial period 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 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> Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i> Amendments to MFRS 9 <i>Financial Instruments</i> Amendments to MFRS 10 <i>Consolidated Financial Statements</i> * Amendments to MFRS 107 <i>Statement of Cash Flows</i>	1 January 2026
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 PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 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 Foreign currency transactions

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

3.5 Statement of cash flows

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

3.6 Distribution

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

3.7 Unit holders' capital

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

3.8 Financial instruments – initial recognition and measurement

(i) Initial recognition

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

(ii) Initial measurement

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

(iii) "Day 1" profit or loss

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

3.9 Financial assets

Classification and measurement

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

Business model

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

Cash flow characteristics

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

3.9 Financial assets (cont'd.)

Classification and measurement (cont'd.)

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

Financial assets at amortised cost

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

Financial assets at FVOCI

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

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

Financial assets at FVTPL

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

3.10 Financial liabilities – classification and subsequent measurement

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

3.11 Derecognition of financial instruments

(i) Derecognition of financial asset

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

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

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

(ii) Derecognition of financial liability

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

3.13 Determination of fair value

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

The fair value of foreign exchange - forward contracts is calculated by making reference to prevailing forward exchange rates for contracts with similar maturity profiles in the market. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

3.14 Classification of realised and unrealised gains and losses

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

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

3.15 Significant accounting estimates and judgments

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

3.15 Significant accounting estimates and judgments (cont'd.)

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 period.

4. INVESTMENTS

	28.02.2025	31.08.2024
	RM	RM
Financial assets at FVTPL		
Fixed income securities - local	17,036,395	22,646,985
Fixed income securities - foreign	16,007,646	12,806,154
	<u>33,044,041</u>	<u>35,453,139</u>

Details of investments as at 28 February 2025 are as follows:

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Fixed income securities - local					
Corporate bonds					
19.03.2027	IJM Land Berhad	2,000,000	2,094,857	2,051,177	5.37
20.04.2028	UMW Holdings Berhad	1,600,000	1,739,025	1,636,465	4.46
03.05.2028	UDA Holdings Berhad	200,000	206,406	203,497	0.53
09.05.2031	UDA Holdings Berhad	1,000,000	1,034,288	1,020,258	2.65
31.05.2032	GENM Capital Berhad	1,500,000	1,540,754	1,519,169	3.95
11.11.2036	YTL Corporation Berhad	2,000,000	2,227,381	2,043,473	5.71

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

4. INVESTMENTS (CONT'D.)

Details of investments as at 28 February 2025 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
Fixed income securities - local (cont'd.)					
Corporate bonds (cont'd.)					
02.06.2037	TNB Power Generation Sdn. Bhd.	250,000	279,851	253,078	0.72
05.01.2038	Edra Energy Sdn. Bhd.	5,000,000	6,217,236	5,193,034	15.94
02.06.2042	TNB Power Generation Sdn. Bhd.	500,000	577,460	506,340	1.48
06.10.2042	Solarpack Suria Sungai Petani Sdn. Bhd.	1,000,000	1,119,137	1,032,145	2.87
Total corporate bonds		15,050,000	17,036,395	15,458,636	43.68
Total fixed income securities - local		15,050,000	17,036,395	15,458,636	43.68

Maturity date	Issuer	Nominal value USD	Fair value USD	Adjusted cost USD	Fair value as a percentage of NAV %
Fixed income securities - foreign					
Corporate bonds denominated in United States Dollar ("USD")					
24.04.2025	Lenovo Group Limited	300,000	1,369,076	1,355,994	3.51
07.03.2028	HSBC Holdings PLC	500,000	2,433,302	2,532,996	6.24
27.06.2029	The Bank Of East Asia Limited	500,000	2,295,963	2,372,510	5.89

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

4. INVESTMENTS (CONT'D.)

Details of investments as at 28 February 2025 are as follows: (cont'd.)

Maturity date	Issuer	Nominal value USD	Fair value USD	Adjusted cost USD	Fair value as a percentage of NAV %
Fixed income securities - foreign (cont'd.)					
Corporate bonds denominated in United States Dollar ("USD") (cont'd.)					
09.03.2031	HSBC Holdings PLC	600,000	2,465,146	2,449,466	6.32
16.01.2032	Standard Chartered PLC	400,000	1,825,534	1,820,132	4.68
27.04.2032	Lenovo Group Limited	600,000	2,898,870	2,888,116	7.43
Total corporate bonds denominated in USD		2,900,000	13,287,891	13,419,214	34.07
Government bond denominated in USD					
15.11.2034	United States of America	600,000	2,719,755	2,672,593	6.97
Total Government bond denominated in USD		600,000	2,719,755	2,672,593	6.97
Total fixed income securities – foreign		3,500,000	16,007,646	16,091,807	41.04
Total financial assets at FVTPL			33,044,041	31,550,443	84.72
Excess of fair value over adjusted cost			1,493,598		

5. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	28.02.2025 RM	31.08.2024 RM
At nominal value:		
Short-term deposits	5,770,340	4,393,838
At carrying value:		
Short-term deposits	5,770,864	4,394,669

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

5. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS (CONT'D.)

Details 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 %
28.02.2025				
Short-term deposits				
03.03.2025	CIMB Bank Berhad	4,749,000	4,749,404	12.18
03.03.2025	Malayan Banking Berhad	1,021,340	1,021,460	2.62
		<u>5,770,340</u>	<u>5,770,864</u>	<u>14.80</u>

6. AMOUNT DUE TO MANAGER

	Note	28.02.2025 RM	31.08.2024 RM
Due to Manager			
Cancellation of units	(i)	135,918	498,857
Manager's fee payable	(ii)	33,173	36,964
		<u>169,091</u>	<u>535,821</u>

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

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

- (ii) Manager's fee is at a rate of 1.00% (31.08.2024: 1.00%) per annum for Class B (MYR) on the NAV of the Fund, calculated on a daily basis.

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

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (31.08.2024: 0.06%) per annum for Class B (MYR) on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

8. NET GAINS FROM INVESTMENTS

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	253,077	(741,435)
– Net realised (loss)/gain on foreign currency exchange	(129,766)	748,162
– Net realised loss on settlement of derivative contracts	-	(213,000)
– Net unrealised (loss)/gain on changes in fair value of investments	(370,319)	1,256,962
– Net unrealised gain/(loss) on foreign currency fluctuation of investments denominated in foreign currency	472,411	(415,643)
	<u>225,403</u>	<u>635,046</u>

9. TOTAL EQUITY

Total equity is represented by:

	Note	28.02.2025 RM	31.08.2024 RM
Unit holders' capital	(a)	51,384,297	52,613,165
Accumulated losses			
– Realised losses	(b)	(13,874,533)	(14,326,198)
– Unrealised gains	(c)	1,493,598	1,391,681
		<u>39,003,362</u>	<u>39,678,648</u>

(a) Unit holders' capital/Units in circulation - Class B (MYR)

	28.02.2025		31.08.2024	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	39,364,522	52,613,165	51,468,660	64,978,924
Creation during the financial period/year	3,545,960	3,581,044	4,542,375	4,606,168
Reinvestment of distribution	537,558	536,591	382,054	388,739
Cancellation during the financial period/year	<u>(5,307,305)</u>	<u>(5,346,503)</u>	<u>(17,028,567)</u>	<u>(17,360,666)</u>
At end of the financial period/year	<u>38,140,735</u>	<u>51,384,297</u>	<u>39,364,522</u>	<u>52,613,165</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

9. TOTAL EQUITY (CONT'D.)

(b) Realised

	28.02.2025 RM	31.08.2024 RM
At beginning of the financial period/year	(14,326,198)	(15,551,787)
Net realised income for the financial period/year	988,256	1,614,328
Distributions out of realised income	(536,591)	(388,739)
At end of the financial period/year	<u>(13,874,533)</u>	<u>(14,326,198)</u>

(c) Unrealised – non-distributable

	28.02.2025 RM	31.08.2024 RM
At beginning of the financial period/year	1,391,681	1,513,928
Net unrealised gain/(loss) for the financial period/year	101,917	(122,247)
At end of the financial period/year	<u>1,493,598</u>	<u>1,391,681</u>

10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

There are no units held by the Manager or any related party as at 28 February 2025 and 31 August 2024.

11. TAXATION

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
Local tax	<u>-</u>	<u>28,661</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

11. TAXATION (CONT'D.)

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

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

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:

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
Net income before taxation	1,090,173	1,714,364
Taxation at Malaysian statutory rate of 24% (2024: 24%)	261,642	411,447
Tax effects of:		
Income not subject to tax	(473,153)	(811,082)
Losses not allowed for tax deduction	159,076	358,676
Restriction on tax deductible expenses for unit trust fund	42,216	56,474
Non-permitted expenses for tax purposes	5,529	6,871
Permitted expenses not used and not available for future financial periods	4,690	6,275
Tax expense for the financial period	-	28,661

12. DISTRIBUTION

Details of distribution to unit holders for the current financial period are as follows:

Financial period ended 28 February 2025

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
25 October 2024	1.3945	1.3945	536,591

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

12. DISTRIBUTION (CONT'D.)

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.

Distribution during the current financial period was sourced from realised income. There were no distribution out of capital.

13. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	01.09.2024 to 28.02.2025	01.09.2023 to 29.02.2024
	% p.a.	% p.a.
Manager's fee	0.50	0.50
Trustee's fee	0.03	0.03
Fund's other expenses	0.04	0.03
Total TER	<u>0.57</u>	<u>0.56</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.

14. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.45 times (01.09.2023 to 29.02.2024: 0.37 times).

15. SEGMENTAL REPORTING

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

15. SEGMENTAL REPORTING (CONT'D.)

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

	01.09.2024 to 28.02.2025			01.09.2023 to 29.02.2024		
	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM
Interest income	436,548	571,889	1,008,437	521,195	743,231	1,264,426
Net gain/(loss) from investments:						
– Financial assets at FVTPL	334,959	(109,556)	225,403	240,860	394,186	635,046
Other net realised gains on foreign currency exchange	74,989	-	74,989	104,972	-	104,972
Other net realised loss foreign currency exchange	(175)	-	(175)	-	-	-
Total segment investment income for the financial period	<u>846,321</u>	<u>462,333</u>	<u>1,308,654</u>	<u>867,027</u>	<u>1,137,417</u>	<u>2,004,444</u>

AmTactical Bond

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

15. SEGMENTAL REPORTING (CONT'D.)

	28.02.2025			31.08.2025		
	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM	Foreign fixed income portfolio RM	Local fixed income portfolio RM	Total RM
Financial assets						
at FVTPL	16,007,646	17,036,395	33,044,041	12,806,154	22,646,985	35,453,139
Deposits with licensed financial institutions	1,021,460	4,749,404	5,770,864	609,016	3,785,653	4,394,669
Interest receivable	-	-	-	75,565	-	75,565
Total segment assets	<u>17,029,106</u>	<u>21,785,799</u>	<u>38,814,905</u>	<u>13,490,735</u>	<u>26,432,638</u>	<u>39,923,373</u>

There are no segment liabilities as at 28 February 2025 and 31 August 2024.

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

	01.09.2024 to 28.02.2025 RM	01.09.2023 to 29.02.2024 RM
Net reportable segment investment income	1,308,654	2,004,444
Less: Expenses	(218,481)	(290,080)
Net income before taxation	1,090,173	1,714,364
Taxation	-	(28,661)
Net income after taxation	<u>1,090,173</u>	<u>1,685,703</u>

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

	28.02.2025 RM	31.08.2024 RM
Total segment assets	38,814,905	39,923,373
Tax recoverable	218,974	156,654
Cash at banks	152,368	149,305
Total assets of the Fund	<u>39,186,247</u>	<u>40,229,332</u>
Amount due to Manager	169,091	535,821
Amount due to Trustee	1,743	2,080
Sundry payables and accruals	12,051	12,783
Total liabilities of the Fund	<u>182,885</u>	<u>550,684</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025

16. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial period ended 28 February 2025 are as follows:

	Transactions value	
	RM	%
Novate Global Markets Limited	9,667,368	27.55
JP Morgan Securities Ltd. London	5,733,252	16.34
Euroclear Bank SA	4,234,443	12.07
Hong Leong Investment Bank Berhad	3,546,671	10.11
CIMB Islamic Bank Berhad	3,019,476	8.60
JP Morgan Securities (M) Sdn. Bhd.	2,985,327	8.51
Hong Leong Bank Berhad	2,855,523	8.14
AmBank Islamic Berhad*	2,000,000	5.70
AmBank (M) Berhad*	1,044,724	2.98
Total	35,086,784	100.00

* Financial institutions related to the Manager.

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

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

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deeds as the backbone of risk management of the Fund.

(a) Market risk

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

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

(a) Market risk (cont'd.)

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.

(ii) Currency risk

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

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

Financial assets denominated in	28.02.2025		31.08.2024	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Euro Dollar				
Cash at bank	508	-*	278	-*
United States Dollar				
Investments	16,007,646	41.04	12,806,154	32.27
Deposit with licensed financial institution	1,021,460	2.62	609,016	1.54
Cash at bank	48,783	0.13	47,911	0.12
	<u>17,077,889</u>	<u>43.79</u>	<u>13,463,081</u>	<u>33.93</u>

* represents less than 0.01%

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund would be exposed to the risk of bond issuers and financial institutions defaulting on their repayment obligations which in turn would affect the NAV of the Fund.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2024 TO 28 FEBRUARY 2025**

17. 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 unfavourable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

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

(d) Single issuer risk

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

(e) Regulatory risk

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

(f) Country risk

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

(g) Management risk

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

(h) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with the 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.

AmTactical Bond

STATEMENT BY THE MANAGER

I, Wong Weng Tuck, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of AmTactical Bond (the “Fund”) as at 28 February 2025 and of the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

WONG WENG TUCK

Executive Director

Kuala Lumpur, Malaysia

18 April 2025

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 28 February 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 period covered by these financial statements in accordance with the following:-

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

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
18 April 2025

DIRECTORY

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Email: enquiries@aminvest.com

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

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

