

**SEMI-ANNUAL REPORT**  
31 October 2023

**AHAM**  
**Smart Invest**  
**Portfolio – Income**

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

TRUSTEE  
TMF Trustees Malaysia Berhad  
(200301008392 [610812-W])

# AHAM SMART INVEST PORTFOLIO – INCOME

## Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 October 2023

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## FUND INFORMATION

Fund Name	AHAM Smart Invest Portfolio - Income
Fund Type	Income
Fund Category	Mixed Asset (Fund-of Funds)
Investment Objective	The Fund aims to provide investor with regular income over medium and long term period by investing in a portfolio of collective investment schemes
Benchmark	Absolute return of 4% per annum
Distribution Policy	<p>Subject to the availability of income, the Fund will distribute income on a quarterly basis, after the end of its first financial year.</p> <p>At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.</p>

## FUND PERFORMANCE DATA

Category	As at 31 Oct 2023 (%)	As at 31 Oct 2022 (%)	As at 31 Oct 2021 (%)
Portfolio composition			
<b>Equities – local</b>			
AME Real Estate Investment Trust	1.60	-	-
Axis Real Estate Investment Trust	1.98	-	-
IGB Real Estate Investment Trust	1.05	-	-
KIP Real Estate Investment Trust	1.76	-	-
Pavilion Real Estate Investment Trust	2.72	-	-
Sunway Real Estate Investment Trust	1.95	-	-
<b>Total Equities– local</b>	<b>11.05</b>	-	-
<b>Collective investment schemes – local</b>			
AHAM Aiman Money Market Fund (Formerly known as Affin Hwang Aiman Money Market Fund)	-	16.71	-
AHAM Bond Fund	24.88	22.53	-
Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund	-	-	9.69
AHAM Select Bond Fund	-	4.86	9.97
AHAM Select SGD Income Fund (formerly known as Affin Hwang Select SGD Income Fund)	-	-	2.49
AHAM Select Cash Fund (Formerly known as Affin Hwang Select Cash Fund)	-	6.98	-
AHAM Aiman Income Plus Fund	10.13	-	-
AHAM Income Extra Fund	8.12	-	-
AHAM Tactical Fund	3.04	-	-
<b>Total collective investment schemes – local</b>	<b>46.17</b>	<b>51.08</b>	<b>19.66</b>
<b>Collective investment schemes – foreign</b>			
Algebris UCITS Funds PLC Algebris Financial Credit Fund	-	6.08	-
Allianz Global Investors Fund - Allianz Income and Growth	-	-	9.91
Allianz Global Investors Fund - Allianz Strategic Bond	-	-	4.95
Baillie Gifford Global Income Growth Fund	-	-	3.89
Baillie Gifford Worldwide Global Income Growth Fund	-	-	5.97
Fidelity Funds US Dollar Bond - A	10.37	-	-
Fidelity Funds US Dollar Bond Fund - Y	0.01	-	-
HSBC US Dollar Liquidity Fund	-	-	8.84
JPMorgan Funds - Income Fund	-	8.51	-

Morgan Stanley Investment Funds - Global Brands Fund	-	-	9.00
Ninety One Global Strategy Fund Limited	-	11.45	-
PIMCO GIS Global High Yield Bond Fund	-	-	4.92
PIMCO GIS Income Fund	10.39	8.60	14.66
UBS (Lux) Equity SICAV - US Total Yield	9.90	12.31	3.81
<b>Total collective investment schemes – foreign</b>	<b>30.67</b>	<b>46.95</b>	<b>68.44</b>
<b>Exchange-traded fund - foreign</b>	<b>9.27</b>	<b>-</b>	<b>9.96</b>
<b>Cash &amp; cash equivalent</b>	<b>2.84</b>	<b>1.97</b>	<b>1.94</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	101.835	160.011	236.255
NAV per Unit (RM)	0.4547	0.4718	0.5315
Unit in Circulation (million)	223.967	339.124	444.524
Highest NAV	0.4739	0.4948	0.5425
Lowest NAV	0.4540	0.4615	0.5220
Return of the Fund (%)	-0.98	-4.61	0.67
- Capital Growth (%)	-2.84	-4.61	-0.04
- Income Distribution (%)	1.92	Nil	0.71
Gross Distribution per Unit (sen)	0.88	Nil	0.38
Net Distribution per Unit (sen)	0.88	Nil	0.38
Total Expense Ratio (%) <sup>1</sup>	0.49	0.44	0.44
Portfolio Turnover Ratio (times) <sup>2</sup>	1.23	1.71	0.52

**Basis of calculation and assumption made in calculating the returns:-**

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	= NAV per Unit end / NAV per Unit begin – 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) – 1

<sup>1</sup> The TER of the Fund increased due to the lower average NAV of the Fund for the period under review.

<sup>2</sup> The PTR of the Fund decreased due to the lower trading activities during the period under review.

### **Income Distribution / Unit Split**

<b>Cum Date</b>	<b>Ex-Date</b>	<b>Cum-distribution (RM)</b>	<b>Distribution per Unit (RM)</b>	<b>Ex-distribution (RM)</b>
17-Oct-23	18-Oct-23	0.4594	0.0030	0.4564
19-Jul-23	20-Jul-23	0.4698	0.0058	0.4641
10-Aug-21	11-Aug-21	0.5394	0.0038	0.5368

No unit splits were declared for the financial period ended 31 October 2023.

### **Breakdown of Distribution**

<b>Ex date</b>	<b>Class</b>	<b>Income (per Unit) (sens)</b>	<b>Income (%)</b>	<b>Capital (per unit) (sens)</b>	<b>Capital (%)</b>
18-Oct-23	RM	0.3000	100	-	-
20-Jul-23	RM	0.5800	100	-	-
11-Aug-21	RM	0.3800	100	-	-

### **Fund Performance**

Table 1: Performance of the Fund

	<b>6 Months (1/5/23 - 31/10/23)</b>	<b>1 Year (1/11/22 - 31/10/23)</b>	<b>3 Years (1/11/20 - 31/10/23)</b>	<b>Since Commencement (3/8/20 - 31/10/23)</b>
Fund	(0.98%)	0.50%	(1.98%)	(1.88%)
Benchmark	2.00%	4.00%	12.49%	13.58%
Outperformance	(2.98%)	(3.50%)	(14.47%)	(15.46%)

Table 2: Average Total Return

	<b>1 Year (1/11/22 - 31/10/23)</b>	<b>3 Years (1/11/20 - 31/10/23)</b>	<b>Since Commencement (3/8/20 - 31/10/23)</b>
Fund	0.50%	(0.66%)	(0.58%)
Benchmark	4.00%	4.00%	4.00%
Outperformance	(3.50%)	(4.66%)	(4.58%)

Table 3: Annual Total Return

	<b>FYE 2023 (1/5/22 - 30/4/23)</b>	<b>FYE 2022 (1/5/21 - 30/4/22)</b>	<b>FYE 2021 (3/8/20 - 30/4/21)</b>
Fund	(3.18%)	(5.78%)	8.63%
Benchmark	4.00%	4.00%	2.95%
Outperformance	(7.18%)	(9.78%)	5.68%

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

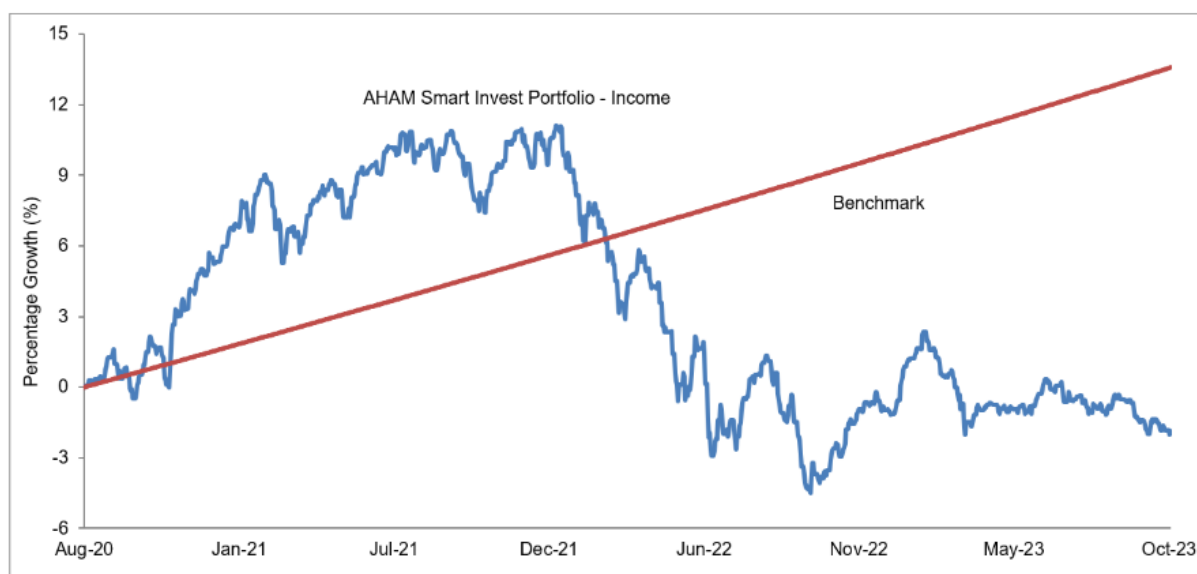
## MANAGER'S REPORT

### Performance Review (1 May 2023 to 31 October 2023)

For the period 1 May 2023 to 31 October 2023, the Fund registered a -0.98% return compared to the benchmark return of 2.00%. The Fund thus underperformed the Benchmark by 2.98%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2023 was MYR0.4547 while the NAV as at 30 April 2023 was MYR0.4680. During the same period under review, the Fund has declared a total income distribution of RM0.0088 per unit.

Since commencement, the Fund has registered a return of -1.88% compared to the benchmark return of 13.58%, underperforming by 15.46%.

Figure 1: Movement of the Fund versus the Benchmark since commencement.



*"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."*

Benchmark: 4.0% per annum

### Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Fund Performance Data.

As at 31 October 2023, the Fund's exposure into the collective investment scheme stood at 86.11% (2022:98.03%) of the Fund's NAV, with 46.17% in local collective investment scheme and 30.67% in foreign collective investment scheme. The Manager added holdings in exchange-traded funds and equities with 9.27% and 11.05% of the fund NAV respectively over during the period under review. Cash and cash equivalent stood at 2.84% of the Fund's NAV.

### Strategies Employed

The Manager continues to hold the flexibility to invest into a range of asset classes depending on the prevailing market conditions. Over the period under review, the Fund was fully invested into collective investment schemes and a small exposure to equities.

### Market Review

Over the financial period under review, the Standard and Poor's ("S&P") 500 returned 0.58% while the Morgan Stanley Capital International ("MSCI") AC World index was lower at -2.37%. Specific to the Asian region, MSCI AC Asia ex Japan Index returned -7.85% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia relatively outperformed, returning 1.85%. Bond markets saw weakness over the period with the Bloomberg Barclays Global Aggregate Index returning -6.61%. Domestically, bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 4.11%.

Market volatility continue to persist and affect economies globally as macro events and policy rate hikes affected stock and bond markets. The economic fallout from the Covid-19 pandemic alongside with the Russia-Ukraine conflict has disrupted supply chains and commodity markets, weighing heavily on global economic growth. Central banks continue to attempt rein in inflation contributed by supply-demand imbalances and volatility in energy prices among other factors through monetary policy, which inadvertently played a role in destabilising the banking sector March this year.

The US Federal Reserve ("Fed") raised their policy rates in monetary policy committee meetings since March of 2022, to of 5.50% in July 2023. Although, at time of writing, holding interest rates at the most recent October/November 2023 Federal Open Market Committee Meeting ("FOMC"). Fed Chair Jerome Powell said that the committee was still "determining the extent of additional policy firming" it would need to bring down inflation sustainably. The sharp pace of policy tightening over the past months raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks.

In addition to fractures in the banking sector, other notable events included the concern over the US approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth. Despite narrowly avoiding a default, the U.S did not escape unscathed as Fitch Ratings downgraded its rating on U.S. debt, quoting in a press release "The repeated debt-limit political standoffs and last-minute resolutions have eroded confidence in fiscal management,".

US equities was volatile throughout 2023. The financial sector disruption troubled markets in the first quarter of 2023, however this was corrected by the second quarter of the year as the market saw gains which was mostly driven by fervour and enthusiasm over new developments in artificial intelligence ("AI"). However, after the strong gains, markets took a tumble by October this year as interest rate jitters coupled with the widening conflict between Israel and Hamas gave rise to fear and uneasiness. Investors entered the second half of 2023 optimistic that the era of policy tightening rates would be over soon. This enthusiasm however withered over August and September as the possibility of higher rates for a sustained period sank in.

On other news, new data in October pointed towards strong economic momentum in the US. Retail sales rose 0.70%, defying consensus expectations that spending would slow due to the resumption of student loan repayments and tighter monetary conditions. Additionally, US third quarter 2023 GDP increased 4.90% above consensus estimates of 4.00% supported by strong consumption. Similarly, purchasing managers' index (PMI) indicators displayed similar strength pointing to a reacceleration in economic activity.

In Asia, despite starting off 2023 strong, Chinese equity trended downwards following the country's reopening after the pandemic started to cool before lifting in July, driven by stimulus optimism in China, evident as the MSCI China Index vaulted 9.30% in July as top party leaders unveiled measures at its Politburo meeting to reinvigorate growth in the country. Among the measures include a pledge by Beijing to provide stimulus support for its beleaguered property sector. Top party leaders also emphasised the need for measures to tackle youth unemployment as well as accelerate the issuance of local government special bonds to spur government investment. While there were no explicit announcements of blockbuster stimulus, the overall policy tone from the Politburo meeting did exceed expectations. There was an acknowledgement of pressing issues on-the-ground that could result in targeted easing measures to bolster growth and lift sentiment. Bright spots were seen in China's economy as newly released GDP data came in stronger than expected. In the third quarter of 2023, China's GDP grew by 4.90% as the volley of stimulus measures start to take effect. Retail sales and industrial production data also surpassed forecasts, instilling further confidence that its economy has bottomed out, boosting optimism that recovery in the world's second-largest economy is starting to gain traction.



Back in Malaysia, several policy announcements by the government caught the attention of investors. These positive sentiments lifted foreign investors' confidence as they poured into local equities. These included the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the National Energy Transition Roadmap as well as the New Industrial Masterplan. There was also greater political clarity following the conclusion of state elections. As widely expected, the Pakatan Harapan-Barisan Nasional coalition retained Selangor, Penang and Negeri Sembilan, while Perikatan Nasional held on to their strongholds in Kedah, Kelantan and Terengganu. The recent by-elections for the Pulai parliamentary seat and Simpang Jeram state seat in Johor concluded with the Pakatan Harapan-Barisan Nasional (PH-BN) coalition defending both seats.

The unveiling of Budget 2024 in October this year also helped shed light on the government's policies and helped lay down the groundwork for the government's path to fiscal consolidation. According to the Budget, the government aims to narrow the fiscal deficit from 5.0% to 4.3% in 2024 in line with its broader policy objective to bring it down to 3.10% by 2026. Key measures announced to broaden the government's revenue include the increase of Sales and Service tax ("SST") from 6% to 8% as well as the introduction of a 10% capital gains tax for unlisted shares. To further bolster revenue, a luxury goods tax will also be applied to high-value items including jewellery and watches based on predefined thresholds.

On fixed income, the series of recent economic data releases mentioned were supportive of the US economic outlook but disappointed fixed income investors as markets came to terms with the Fed's 'higher for longer' narrative. On the fiscal front, the US debt funding programme fell under the spotlight as concerns on US Treasuries supply glut intensified. In absence of an anchor from monetary policy and expectations of a demand-supply imbalance, 10-year US Treasury yield inched higher to test its high several times during October but kept in check by the 5% handle. As a result, US Treasury yield curve bear steepened, with 2-year, 10-year and 30-year Treasury ending the month at 5.09% (+4 basis points) ("bps"), 4.93% (+36 bps), and 5.09% (+39 bps) respectively.

Domestically, market reaction towards tabling of Budget 2024 mid-October were muted, as headline numbers were mainly in line of market expectations, with a fiscal consolidation path towards the government's medium target of 3% fiscal deficit-to-GDP ratio, from 2023 estimate of 5.0% and 2024 estimate of 4.3%. A well telegraphed subsidy rationalisation (for chicken, eggs, diesel, and electricity) ahead of Budget 2024 kept the lid on inflation expectations.

### **Investment Outlook**

US inflation has eased amid aggressive monetary tightening but remained well above Federal Reserve's 2% target. Resiliency in the US economy has afforded the Federal Reserve to maintain current policy rate of 5.25-5.50% for 'longer', with the option to go 'higher' if necessary as Fed Chair Powell made clear during his press conference that the economy has proven to be stronger than expected as a result of strong consumer spending. The FOMC's economic projections now show the median expectation for GDP growth for 2023 at 2.1% (previously 1.1%) and next year at 1.5% (previously 1.0%). The unemployment rate is projected to be lower at the end of next year as a consequence, from previous expectation of 4.5% to the revised rate of 4.1%.

Domestically, moderating growth and subdued inflation continued to support the fixed income market, while external pressure in the form of widening interest differential and ensuing Ringgit weakness kept short-end rates elevated. Persistent demand from domestic investors were unabated by the flatness in MGS yield curve and have continued to keep long-tenured bond yields anchored during choppy sessions.

### **State of Affairs of the Fund**

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

### **Soft Commissions received from Brokers**

Soft commissions received from brokers/dealers may be retained by the management company only if the:–

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, no soft commission was received by the Manager on behalf of the Fund.

### **Cross Trade**

No cross trade transactions have been carried out during the reported period.

### **Securities Financing Transactions**

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

### **Changes Made To the Fund's Prospectus**

There were no changes made to the Fund's prospectus during the financial period under review.

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO - INCOME**

We have acted as Trustee of the Fund for the financial period ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset 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 Deeds, securities laws and the the Guidelines on Unit Trust Funds;
2. Valuation and pricing are carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

For  
TMF Trustees Malaysia Berhad

NORHAYATI BINTI AZIT  
DIRECTOR – FUND SERVICES

15 December 2023

**AHAM SMART INVEST PORTFOLIO – INCOME**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

# **AHAM SMART INVEST PORTFOLIO – INCOME**

## **UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

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## AHAM SMART INVEST PORTFOLIO – INCOME

### UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Note	6 months financial period ended 31.10.2023	6 months financial period ended 31.10.2022
<b>INVESTMENT LOSS</b>			
Dividend income		2,579,280	2,023,478
Interest income from financial assets at amortised cost		35,994	38,864
Net loss on foreign currency exchange		(1,075,279)	(370,307)
Net loss on forward foreign currency contracts at fair value through profit or loss		(2,045,865)	(7,949,413)
Net gain/(loss) on financial assets at fair value through profit or loss	8	169,389	(3,008,822)
		<u>(336,481)</u>	<u>(9,266,200)</u>
<b>EXPENSES</b>			
Management fee	4	(624,263)	(801,244)
Trustee fee	5	(43,918)	(60,132)
Fund accounting fee	6	(6,500)	-
Auditors' remuneration		(3,855)	(3,921)
Tax agent's fee		(1,800)	(1,829)
Transaction cost		(31,538)	(70,001)
Other expenses		(35,959)	(48,977)
		<u>(747,833)</u>	<u>(986,104)</u>
<b>NET LOSS BEFORE TAXATION</b>		(1,084,314)	(10,252,304)
Taxation	8	(67,139)	(3,672)
<b>NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<u>(1,151,453)</u>	<u>(10,255,976)</u>
Net loss after taxation is made up of the following:			
Realised amount		(1,417,227)	(18,310,021)
Unrealised amount		265,774	8,054,045
		<u>(1,151,453)</u>	<u>(10,255,976)</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.

## AHAM SMART INVEST PORTFOLIO – INCOME

### UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	10	1,929,168	6,516,066
Amount due to brokers		2,310,000	-
Amount due from Manager			
- management fee rebate receivable		28,369	25,133
Dividends receivable		14,820	53,192
Financial assets at fair value through profit or loss	9	99,009,384	156,855,559
<b>TOTAL ASSETS</b>		<u>103,291,741</u>	<u>163,449,950</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss		-	3,235,575
Amount due to Manager			
- management fee		99,334	112,229
- cancellation of units		1,204,286	60,450
Amount due to Trustee		6,409	8,417
Fund accounting fee		1,083	-
Auditors' remuneration		3,855	3,921
Tax agent's fee		5,300	5,329
Other payables and accruals		263	317
Tax provision		76,321	12,328
<b>TOTAL LIABILITIES</b>		<u>1,396,851</u>	<u>3,438,566</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>101,894,890</u>	<u>160,011,384</u>
<b>EQUITY</b>			
Unitholders' capital		131,306,160	184,242,533
Accumulated losses		(29,411,270)	(24,231,149)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>101,894,890</u>	<u>160,011,384</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<u>223,967,000</u>	<u>339,124,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4550</u>	<u>0.4718</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.

## AHAM SMART INVEST PORTFOLIO – INCOME

### UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 May 2023	179,378,950	(25,484,418)	153,894,532
Total comprehensive loss for the financial period	-	(1,151,453)	(1,151,453)
Distribution (Note 7)	-	(2,775,399)	(2,775,399)
Movement in unitholders' capital:			
Creation of units arising from applications	972,519	-	972,519
Creation of units arising from distributions	2,414,636	-	2,414,636
Cancellation of units	(51,459,945)	-	(51,459,945)
Balance as at 31 October 2023	<u>131,306,160</u>	<u>(29,411,270)</u>	<u>101,894,890</u>
Balance as at 1 May 2022	236,025,102	(13,975,173)	222,049,929
Total comprehensive loss for the financial period	-	(10,255,976)	(10,255,976)
Movement in unitholders' capital:			
Creation of units arising from applications	1,209,056	-	1,209,056
Cancellation of units	(52,991,625)	-	(52,991,625)
Balance as at 31 October 2022	<u>184,242,533</u>	<u>(24,231,149)</u>	<u>160,011,384</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.



## AHAM SMART INVEST PORTFOLIO – INCOME

### UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Note	6 months financial period ended <u>31.10.2023</u> RM	6 months financial period ended <u>31.10.2022</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		198,488,651	355,229,099
Purchase of investments		(153,447,216)	(305,253,935)
Dividends received		2,628,715	1,970,286
Interest received		35,994	38,864
Management fee rebate received		195,547	140,389
Management fee paid		(634,984)	(838,024)
Trustee fee paid		(45,099)	(62,891)
Payment for other fees and expenses		(148,929)	(126,491)
Net (loss)/gain on foreign currency exchange		(3,258,031)	10,611,063
Realised gain/(loss) on forward foreign currency contracts		3,833,755	(9,045,333)
Net cash flows generated from operating activities		<u>47,648,403</u>	<u>52,663,027</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		611,756	1,210,543
Payments from cancellation of units		(50,300,815)	(53,346,160)
Net cash flows used in financing activities		<u>(49,689,059)</u>	<u>(52,135,617)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(2,040,656)	527,410
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(727,886)	(973,789)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>4,697,710</u>	<u>6,962,445</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	10	<u><u>1,929,168</u></u>	<u><u>6,516,066</u></u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.

## AHAM SMART INVEST PORTFOLIO – INCOME

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note M.

(a) Standards, amendments to published standards and interpretations that are effective:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘Onerous contracts - cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting period (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 ‘Financial Instruments: Presentation’ does not impact the current or non-current classification of the convertible instrument.

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

## AHAM SMART INVEST PORTFOLIO – INCOME

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### **B INCOME RECOGNITION**

##### Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

##### Interest income

Interest income from short-term deposit with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### Realised gains and losses on sale of investments

For collective investment schemes (“CIS”) and exchange traded funds, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

#### **C TRANSACTION COSTS**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors and brokers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

#### **D TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial period.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not “income tax” in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

#### **E DISTRIBUTION**

A distribution to the Fund’s unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

## AHAM SMART INVEST PORTFOLIO – INCOME

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### F FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

#### G FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Fund’s debt securities are solely payments of principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

Investment in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager and dividends receivable as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to brokers, amount due to Manager, amount due to Trustee, auditors’ remuneration, tax agent’s fee and other payables and accruals as financial liabilities measured at amortised cost.

## AHAM SMART INVEST PORTFOLIO – INCOME

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category including the effects of currency transactions are presented in the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the financial period which they arise.

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Investment in CIS are valued at the last published net asset value (“NAV”) per unit at the date of the statement of financial position.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

## AHAM SMART INVEST PORTFOLIO – INCOME

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month and lifetime expected credit losses as any such impairment would be wholly insignificant to the Fund.

##### Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

##### Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

##### Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit-impaired.

##### Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

##### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial period.

## **AHAM SMART INVEST PORTFOLIO – INCOME**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)**

#### **I CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **J AMOUNT DUE FROM/(TO) BROKERS**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note H for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit-impaired.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

#### **K DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in the statement of comprehensive income when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets as fair value through profit or loss and financial liabilities as fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

## **AHAM SMART INVEST PORTFOLIO – INCOME**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)**

#### **L UNITHOLDERS' CAPITAL**

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if the unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

#### **M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

#### **N REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.



## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

#### 1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Smart Invest Portfolio - Income (the “Fund”) pursuant to the execution of a Deed dated 28 November 2019 as modified by Supplemental Deed dated 24 August 2022 (“the Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Smart Invest Portfolio – Income to AHAM Smart Invest Portfolio – Income as amended by the Supplemental Deed dated 24 August 2022.

The Fund commenced operations on 3 August 2020 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

The Fund may invest in any of the following investments:

- (a) Units/shares in collective investment schemes;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) Any other form of investments as may be permitted by the SC from time to time which is in line with the objective of the Fund.

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The main objective of the Fund is to provide investors with regular income over medium and long term period by investing in a portfolio of collective investment schemes.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 15 December 2023.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	1,929,168	-	1,929,168
Amount due from brokers		2,310,000	-	2,310,000
Amount due from Manager				
- management fee rebate receivable		28,369	-	28,369
Dividends receivable		14,820	-	14,820
Quoted equities		-	11,270,954	11,270,954
Collective investment schemes	9	-	78,296,095	78,296,095
Exchange-traded funds		-	9,442,335	9,442,335
		<u>4,282,357</u>	<u>99,009,384</u>	<u>103,291,741</u>
Total		<u>4,282,357</u>	<u>99,009,384</u>	<u>103,291,741</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		99,334	-	99,334
- cancellation of units		1,204,286	-	1,204,286
Amount due to Trustee		6,409	-	6,409
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		3,855	-	3,855
Tax agent's fee		5,300	-	5,300
Other payables and accruals		263	-	263
Tax provision		76,321	-	76,321
		<u>1,396,851</u>	<u>-</u>	<u>1,396,851</u>
Total		<u>1,396,851</u>	<u>-</u>	<u>1,396,851</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	6,516,066	-	6,516,066
Amount due from Manager				
- management fee rebate receivable		25,133	-	25,133
Dividends receivable		53,192	-	53,192
Collective investment schemes	9	-	156,855,559	156,855,559
Total		<u>6,594,391</u>	<u>156,855,559</u>	<u>163,449,950</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	3,235,575	3,235,575
Amount due to Manager				
- management fee		112,229	-	112,229
- cancellation of units		60,450	-	60,450
Amount due to Trustee		8,417	-	8,417
Auditors' remuneration		3,921	-	3,921
Tax agent's fee		5,329	-	5,329
Other payables and accruals		317	-	317
Tax provision		12,328	-	12,328
Total		<u>202,991</u>	<u>3,235,575</u>	<u>3,438,566</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust Funds.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavorable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	<u>2023</u> RM	<u>2022</u> RM
<b>Quoted investments</b>		
Quoted equities	11,270,954	-
Collective investment schemes	78,296,095	156,855,559
Exchange-traded funds	9,442,335	-
	<u>99,009,384</u>	<u>156,855,559</u>

The following table summarises the sensitivity of the Fund's loss after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 15% (2022: 2%) and decreased by 15% (2022: 2%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted investments having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on loss after tax/NAV</u> RM
<u>2023</u>		
-15%	84,157,976	(14,851,408)
0%	99,009,384	-
+15%	<u>113,860,792</u>	<u>14,851,408</u>
<u>2022</u>		
-2%	153,718,448	(3,137,111)
0%	156,855,559	-
+2%	<u>159,992,670</u>	<u>3,137,111</u>

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (b) Interest rate risk (continued)

The Fund's exposure to the interest rate risk is mainly confined to a short-term deposit placement with a licensed financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the carrying value of deposit is held on a short-term basis.

##### (c) Currency risk

Currency risk is associated with asset/liabilities denominated in foreign currencies. When the foreign currencies fluctuate in unfavorable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Collective investment scheme RM	Exchange- traded fund RM	Cash and cash equivalent RM	Total RM
<u>2023</u>				
<u>Financial assets</u>				
Euro	-	-	109,110	109,110
Pound Sterling	-	-	1,044	1,044
Singapore Dollar	-	-	11,220	11,220
United States Dollar	31,255,470	9,442,335	1,770,049	42,467,854
	<u>31,255,470</u>	<u>9,442,335</u>	<u>1,891,423</u>	<u>42,589,228</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:  
(continued)

	<u>Collective investment scheme</u> RM	<u>Cash and cash equivalent</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Euro	9,720,787	1,043,451	-	10,764,238
Singapore Dollar	-	11,006	-	11,006
United States Dollar	65,405,082	5,394,797	53,192	70,853,071
	<u>75,125,869</u>	<u>6,449,254</u>	<u>53,192</u>	<u>81,628,315</u>
			<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Euro			373,280	373,280
United States Dollar			2,862,295	2,862,295
			<u>3,235,575</u>	<u>3,235,575</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on loss after tax/NAV RM
<u>2023</u>		
Euro	+/- 10	+/- 10,911
Pound Sterling	+/- 10	+/- 104
Singapore Dollar	+/- 10	+/- 1,122
United States Dollar	+/- 10	+/- 4,246,785
<u>2022</u>		
Pound Sterling	+/- 10	+/- 1,039,096
Singapore Dollar	+/- 10	+/- 1,101
United States Dollar	+/- 10	+/- 6,799,078

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The following table sets out the credit risk concentration and counterparties of the Fund:

	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2023</u>			
Financial Services			
- AAA	1,929,168	-	1,929,168
- NR	-	2,310,000	2,310,000
Others			
- NR	-	43,189	43,189
	<u>1,929,168</u>	<u>2,353,189</u>	<u>4,282,357</u>
<u>2022</u>			
Financial Services			
- AAA	6,516,066	-	6,516,066
Others			
- NR	-	78,325	78,325
	<u>6,516,066</u>	<u>78,325</u>	<u>6,594,391</u>

\* Other assets consist of amount due from brokers, amount due from Manager and dividends receivable.



## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2023</u>			
Amount due to Manager			
- management fee	99,334	-	99,334
- cancellation of units	1,204,286	-	1,204,286
Amount due to Trustee	6,409	-	6,409
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	3,855	3,855
Tax agent's fee	-	5,300	5,300
Other payables and accruals	-	263	263
Tax provision	-	76,321	76,321
	<u>1,311,112</u>	<u>85,739</u>	<u>1,396,851</u>
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	3,235,575	-	3,235,575
Amount due to Manager			
- management fee	112,229	-	112,229
- cancellation of units	60,450	-	60,450
Amount due to Trustee	8,417	-	8,417
Auditors' remuneration	-	3,921	3,921
Tax agent's fee	-	5,329	5,329
Other payables and accruals	-	317	317
Tax provision	-	12,328	12,328
	<u>3,416,671</u>	<u>21,895</u>	<u>3,438,566</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques.

##### (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Financial assets at fair value through profit or loss				
- quoted equities	11,270,954	-	-	11,270,954
- collective investment schemes	78,296,095	-	-	78,296,095
- exchange-traded fund	9,442,335	-	-	9,442,335
	<u>99,009,384</u>	<u>-</u>	<u>-</u>	<u>99,009,384</u>
<u>2022</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	156,855,559	-	-	156,855,559
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	3,235,575	-	3,235,575

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include quoted equities, collective investment schemes and exchange-traded funds. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These includes forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from brokers, amount due from Manager, dividends receivable and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the net asset value (“NAV”) of the Fund calculated on a daily basis.

For the 6 months financial period ended 31 October 2023, the management fee is recognised at the rate of 0.82% (2022: 0.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in Fund’s Prospectus.

There will be no further liability to the Manager in respect of management fee other than the amount recognised above.

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the net asset value (“NAV”) of the Fund, excluding of foreign custodian fees and charges.

For the 6 months financial period ended 31 October 2023, the Trustee’s fee is recognised at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund’s Prospectus.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.

#### 6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund for 6 months financial period ended 31 October 2023 is RM6,500 (2022: RM Nil).

#### 7 DISTRIBUTION

	6 months financial period ended <u>31.10.2023</u> RM
Distribution to unitholders is from the following sources:	
Dividend income	2,001,863
Previous year’s realised income	955,524
	<hr/>
Gross realised income	2,957,387
Less: Expenses	(181,988)
	<hr/>
Net distribution amount	<u>2,775,399</u>

There is no distribution during the financial period ended 31 October 2022.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 7 DISTRIBUTION (CONTINUED)

During the financial period ended 31 October 2023, distribution was made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> (sen)
20.07.2023	0.58
18.10.2023	0.30
	<u>0.88</u>

Gross distribution per unit is derived from gross realised income less expense 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.

Included in distributions for the financial period is an amount of RM955,524 (2022: RM Nil) made from previous years' realised income.

#### 8 TAXATION

	6 months financial period ended <u>31.10.2023</u> RM	6 months financial period ended <u>31.10.2022</u> RM
Current taxation	<u>67,139</u>	<u>3,672</u>

The numerical reconciliation between net loss before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	6 months financial period ended <u>31.10.2023</u> RM	6 months financial period ended <u>31.10.2022</u> RM
Net loss before taxation	<u>(1,084,314)</u>	<u>(10,252,304)</u>
Tax at Malaysian statutory rate of 24% (2022: 24%)	(260,235)	(2,460,553)
Tax effects of:		
Investment loss not brought to tax	128,669	2,256,386
Expenses not deductible for tax purposes	28,732	43,305
Restriction on tax deduction expenses for Unit Trust Funds	102,834	160,862
Foreign income subject to foreign tax rate	67,139	3,672
Tax expense	<u>67,139</u>	<u>3,672</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities – local	11,270,954	-
- collective investment schemes - local	47,040,625	81,729,690
- collective investment schemes - foreign	31,255,470	75,125,869
- exchange-traded fund - foreign	9,442,335	-
	<u>99,009,384</u>	<u>156,855,559</u>
	6 months financial period ended <u>31.10.2023</u> RM	6 months financial period ended <u>31.10.2022</u> RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	188,252	(11,076,146)
- unrealised (loss)/gain on changes in fair value	(218,505)	7,931,914
- management fee rebate on collective investment schemes #	199,642	135,410
	<u>169,389</u>	<u>(3,008,822)</u>

# In arriving at the fair value of CIS, the management fee initially paid to the Manager of CIS have been considered as part of its NAV. In order to prevent the double charging of management fee, which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in CIS have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of CIS is reflected as an increase in the NAV of the CIS.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local

(i) Quoted equities - local as at 31 October 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
AME Real Estate Investment Trust	1,315,700	1,545,966	1,631,468	1.60
Axis Real Estate Investment Trust	1,123,000	1,990,988	2,021,400	1.98
IGB Real Estate Investment Trust	632,000	1,065,299	1,074,400	1.05
KIP Real Estate Investment Trust	1,997,700	1,804,547	1,787,942	1.76
Pavilion Real Estate Investment Trust	2,307,000	2,814,540	2,768,400	2.72
Sunway Real Estate Investment Trust	1,342,800	1,980,391	1,987,344	1.95
Total quoted equities - local	<u>8,718,200</u>	<u>11,201,731</u>	<u>11,270,954</u>	<u>11.06</u>
Accumulated unrealised gain on quoted equities - local		<u>69,223</u>		
Total quoted equities – local		<u>11,270,954</u>		

(ii) There is no investment in quoted equities - local as at 31 October 2022.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Collective investment schemes – local

(i) Collective investment schemes - local as at 31 October 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
AHAM Aiiman Income Plus Fund	17,994,606	10,459,532	10,321,706	10.13
AHAM Bond Fund	43,271,830	25,643,375	25,348,638	24.88
AHAM Income Extra Fund	7,969,409	8,249,112	8,271,549	8.12
AHAM Tactical Fund	10,748,292	3,106,256	3,098,732	3.04
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - local	79,984,137	47,458,275	47,040,625	46.17
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised loss on collective investment schemes - local		(417,650)		
		<hr/>		
Total collective investment schemes – local		47,040,625		
		<hr/> <hr/>		

(ii) Collective investment schemes - local as at 31 October 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
AHAM Aiiman Money Market Fund (formerly known Affin Hwang Aiiman Money Market Fund)	48,899,881	26,590,242	26,738,455	16.71
AHAM Bond Fund	62,500,038	36,000,000	36,043,772	22.53
AHAM Select Bond Fund – MYR Class	13,397,053	9,101,948	7,771,630	4.86
AHAM Select Cash Fund (formerly known as Affin Hwang Select Cash Fund)	10,411,620	11,170,627	11,175,833	6.98
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - local	135,208,592	82,862,817	81,729,690	51.08
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised loss on collective investment schemes - local		(1,133,127)		
		<hr/>		
Total collective investment schemes – local		81,729,690		
		<hr/> <hr/>		



## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Collective investment schemes – foreign

(i) Collective investment schemes – foreign as at 31 October 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
HSBC Global Liquidity Fd PLC - US Dollar Liquidity Fund - F	24	110	116	-
PIMCO Funds GIS Income Fund	138,617	10,615,355	10,586,828	10.39
Fidelity Funds US Dollar Bond - A	140,625	10,771,439	10,572,730	10.37
Fidelity Funds US Dollar Bond Fund - Y	234	10,600	10,516	0.01
UBS Lux Equity SICAV Equity Fund - US Total Yld USD	17,538	10,103,985	10,085,280	9.90
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - foreign	297,038	31,501,489	31,255,470	30.67
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised loss on collective investment schemes - foreign		(246,019)		
		<hr/>		
Total collective investment schemes – foreign		31,255,470		
		<hr/> <hr/>		

(ii) Collective investment schemes – foreign as at 31 October 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Algebris UCITS Funds PLC Algebris Financial Credit Fund	20,984	10,973,239	9,720,787	6.08
JPMorgan Funds - Income Fund	34,130	13,460,624	13,616,715	8.51
Ninety One Global Strategy Fund Limited	210,439	17,902,043	18,329,270	11.45
PIMCO GIS Income Fund Institutional USD	282,925	13,552,549	13,758,781	8.60
UBS Lux Equity Fund - US Total Yield USD	34,565	18,963,205	19,700,316	12.31
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - foreign	583,043	74,851,660	75,125,869	46.95
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on collective investment schemes - foreign		274,209		
		<hr/>		
Total collective investment schemes – foreign		75,125,869		
		<hr/> <hr/>		

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Exchange-traded fund - foreign

(i) There is no investment in exchange-traded fund - foreign as at 31 October 2023.

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
IShares JP Morgan EM Local Gov	246,085	5,390,264	5,245,852	5.15
IShares iBonds Dec 2025 Term \$ Corp UCITS ETF	8,780	4,163,307	4,196,483	4.12
	<u>254,865</u>	<u>9,553,571</u>	<u>9,442,335</u>	<u>9.27</u>
Total exchange-traded fund - foreign		(111,236)		
Accumulated unrealised gain on exchange-traded fund - foreign		<u>9,442,335</u>		
Total exchange-traded fund - foreign		<u>9,442,335</u>		

(ii) There is no investment in exchange-traded fund - foreign as at 31 October 2022.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 10 CASH AND CASH EQUIVALENTS

	<u>2023</u> RM	<u>2022</u> RM
Cash and bank balances	1,929,168	6,516,066

#### 11 FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 October 2023, there are Nil (2022: 5) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RMNil (2022: RM64,416,920). The forward currency contracts entered into during the financial period were for hedging against the currency exposure arising from the Fund's investment in the collective investment schemes denominated in Pound Sterling and United States Dollar. As the fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

	<u>2023</u> RM	<u>2022</u> RM
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	-	3,235,575
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(3,258,030)	(9,045,333)
- unrealised gain on changes in fair value	1,212,165	1,095,920
	<u>(2,045,865)</u>	<u>(7,949,413)</u>

(i) There is no investment in forward foreign currency contracts as at 31 October 2023.

(ii) Forward foreign currency contracts as at 31 October 2022 is as follows:

	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
CIMB Bank Bhd	22,482,500	23,466,534	(984,034)	(0.62)
Citibank Bhd	31,012,500	32,890,761	(1,878,261)	(1.17)
Standard Chartered Bank K.L.	10,921,920	11,295,200	(373,280)	(0.23)
Total forward foreign currency contracts	<u>64,416,920</u>	<u>67,652,495</u>	<u>(3,235,575)</u>	<u>(2.02)</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 12 NUMBER OF UNITS IN CIRCULATION

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial period	328,862,000	448,951,000
Creation of units arising from applications	2,106,000	2,523,000
Creation of units arising from distribution	5,233,197	-
Cancellation of units	<u>(112,234,197)</u>	<u>(112,350,000)</u>
At the end of the financial period	<u>223,967,000</u>	<u>339,124,000</u>

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 13 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top dealers for the 6 months financial period ended 31 October 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
AHAM Asset Management Berhad#	177,749,887	49.93	-	-
MFEX Mutual Funds Exchange AB	119,413,830	33.54	-	-
CLSA Ltd	41,549,743	11.67	-	-
Flow Traders	6,554,737	1.84	-	-
CGS-CIMB Futures Sdn Bhd	4,026,000	1.13	10,065	37.38
UOB Kay Hian Securities (M) Sdn Bhd	3,073,176	0.86	7,683	28.53
CLSA Securities (Malaysia) Sdn Bhd	2,293,396	0.65	5,734	21.29
Maybank Investment Bank Bhd	754,400	0.21	1,886	7.00
KAF Equities Sdn Bhd	508,997	0.14	1,272	4.72
RHB Investment Bank Berhad	116,350	0.03	291	1.08
	<u>356,040,516</u>	<u>100.00</u>	<u>26,931</u>	<u>100.00</u>

- (i) Details of transactions with the top dealers for the 6 months financial period ended 31 October 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
MFEX Mutual Funds Exchange AB	474,413,647	71.27	-	-
AHAM Asset Management Berhad#	140,038,448	21.04	-	-
Cantor Fitzgerald (HK) Capital Markets Limited	30,638,875	4.60	61,278	87.91
CLSA Ltd	11,726,437	1.76	5,863	8.41
Alliance Bernstein (Singapore) Ltd	7,832,591	1.18	2,350	3.37
Macquarie Capital Securities Ltd	985,343	0.15	218	0.31
	<u>665,635,341</u>	<u>100.00</u>	<u>69,709</u>	<u>100.00</u>

# Included in transactions with brokers are trades with AHAM Asset Management Berhad, the Manager amounting to RM177,749,887 (2022: RM140,038,448). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 14 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Nikko Asset Management Co., Ltd ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad	Directors of the Manager

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 14 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The number of units held by the Manager as at the end of the financial period as follows:

	2023		2022	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)	3,024	1,376	3,138	1,481

#### 15 TOTAL EXPENSE RATIO (“TER”)

	6 months financial period ended <u>31.10.2023</u> %	6 months financial period ended <u>31.10.2022</u> %
TER	0.49	0.44

TER is derived from the following calculation:

$$\text{TER} = \frac{(\text{A} + \text{B} + \text{C} + \text{D} + \text{E} + \text{F}) \times 100}{\text{G}}$$

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors' remuneration
E	=	Tax agent's fee
F	=	Other expenses, excluding sales and service tax on transaction costs
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM145,587,008 (2022: RM198,802,657).

## AHAM SMART INVEST PORTFOLIO – INCOME

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

#### 16 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>31.10.2023</u>	6 months financial period ended <u>31.10.2022</u>
PTR (times)	1.23	1.71

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where: total acquisition for the financial period = RM153,447,216 (2022: RM305,091,335)  
total disposal for the financial period = RM204,734,561 (2022: RM373,476,746)

#### 17 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

##### Change in substantial shareholders of AHAM Asset Management Berhad

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divested all its equity interest of 27% in AHAM Asset Management Berhad to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT"), resulting in both NAM and LTAT becoming substantial shareholders of the Manager.



## **AHAM SMART INVEST PORTFOLIO – INCOME**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 35 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 October 2023 and of its financial performance, changes in equity and cash flows for the 6 months financial period ended 31 October 2023 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

For and on behalf of the Manager,  
**AHAM ASSET MANAGEMENT BERHAD**

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
15 December 2023

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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### **PENANG**

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### **PERAK**

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### **PETALING JAYA**

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### **MELAKA**

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## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SABAH**

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**AHAM Asset Management Berhad**

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