



**ANNUAL REPORT**  
31 October 2024

# AHAM Flexi Fund 7

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

TRUSTEE  
CIMB Commerce Trustee Berhad  
(313031-A)

**Built On Trust**

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# AHAM FLEXI FUND 7

## Audited Annual Report and Financial Statements For The Financial Year Ended 31 October 2024

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## FUND INFORMATION

Fund Name	AHAM Flexi Fund 7
Fund Type	Growth
Fund Category	Mixed Asset (Wholesale)
Investment Objective	The Fund seeks to provide investors with long term capital appreciation
Benchmark	6% per annum
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

## FUND PERFORMANCE DATA

Category	As at 31 Oct 2024 (%)			As at 31 Oct 2023 (%)			As at 31 Oct 2022 (%)		
Portfolio composition									
Collective investment scheme – local	-			4.90			18.50		
Collective investment scheme – foreign	67.83			52.05			55.75		
Exchange-traded fund – foreign	31.45			40.48			24.89		
Cash & cash equivalent	0.72			2.57			0.86		
<b>Total</b>	<b>100.00</b>			<b>100.00</b>			<b>100.00</b>		
Currency class	USD Class	MYR Class	SGD Class	USD Class	MYR Class	SGD Class	USD Class	MYR Class	SGD Class
Total NAV (million)	55.269	7.814	0.0010	44.841	6.8990	0.0010	42.6440	6.5100	0.0010
NAV per Unit (in respective currencies)	1.3306	1.3330	1.3566	1.0796	1.1770	1.1356	1.0267	1.1105	1.1170
Unit in Circulation (million)	41.536	5.8620	0.0010	41.5360	5.8620	0.0010	41.5360	5.8620	0.0010
Highest NAV	1.3608	1.4368	1.4008	1.1902	1.2376	1.2194	1.4018	1.3402	1.4625
Lowest NAV	1.0847	1.1845	1.1460	1.0154	1.0791	1.1042	1.0118	1.0802	1.1090
Return of the Fund (%)	23.25	13.25	19.46	5.14	5.98	1.65	-26.02	-15.51	-22.10
- Capital Growth (%)	23.25	13.25	19.46	5.14	5.98	1.65	-26.02	-15.51	-22.10
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) <sup>1</sup>		1.09			1.09			1.09	
Portfolio Turnover Ratio (times) <sup>2</sup>		1.67			1.06			0.95	

<sup>1</sup> The TER of the Fund was unchanged Fund during the financial year under review.

<sup>2</sup> The PTR of the Fund was higher than previous year due to higher trading activities for the financial year.

**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

**Income Distribution / Unit Split**

No income distribution or unit split were declared for the financial year ended 31 October 2024.

**Breakdown of Distribution**

No income distribution or unit split were declared for the financial year ended 31 October 2024.

**Fund Performance**

Table 1: Performance of the Fund

	1 Year (1/11/23 - 31/10/24)	3 Years (1/11/21 - 31/10/24)	5 Years (1/11/19 - 31/10/24)	Since Commencement (26/1/18 - 31/10/24)
Benchmark	6.00%	19.12%	33.87%	48.36%
USD Class	23.25%	(4.12%)	25.23%	33.06%
Outperformance	17.25%	(23.24%)	(8.64%)	(15.30%)
MYR Class	13.25%	1.42%	28.98%	33.30%
Outperformance	7.25%	(17.70%)	(4.89%)	(15.06%)
SGD Class	19.46%	(5.39%)	22.38%	35.66%
Outperformance	13.46%	(24.51%)	(11.49%)	(12.70%)

Table 2: Average Total Return

	1 Year (1/11/23 - 31/10/24)	3 Years (1/11/21 - 31/10/24)	5 Years (1/11/19 - 31/10/24)	Since Commencement (26/1/18 - 31/10/24)
Benchmark	6.00%	6.00%	6.00%	6.00%
USD Class	23.25%	(1.39%)	4.60%	4.31%
Outperformance	17.25%	(7.39%)	(1.40%)	(1.69%)
MYR Class	13.25%	0.47%	5.22%	4.34%
Outperformance	7.25%	(5.53%)	(0.78%)	(1.66%)
SGD Class	19.46%	(1.83%)	4.12%	4.61%
Outperformance	13.46%	(7.83%)	(1.88%)	(1.39%)

Table 3: Annual Total Return

	FYE 2024 (1/11/23 - 31/10/24)	FYE 2023 (1/11/22 - 31/10/23)	FYE 2022 (1/11/21 - 31/10/22)	FYE 2021 (1/11/20 - 31/10/21)	FYE 2020 (1/11/19 - 31/10/20)
Benchmark	6.00%	6.00%	6.00%	6.00%	6.02%
USD Class	23.25%	5.15%	(26.02%)	16.21%	12.40%
Outperformance	17.25%	(0.85%)	(32.02%)	10.21%	6.38%
MYR Class	13.25%	5.99%	(15.51%)	13.68%	11.86%
Outperformance	7.25%	(0.01%)	(21.51%)	7.68%	5.84%
SGD Class	19.46%	1.67%	(22.10%)	14.79%	12.68%
Outperformance	13.46%	(4.33%)	(28.10%)	8.79%	6.66%

***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 November 2023 to 31 October 2024)**

#### **USD Class**

For the period 1 November 2023 to 31 October 2024 the Fund - USD class, registered a return of -23.25% compared to the benchmark return of 6.00%. The Fund thus outperformed the Benchmark by 17.25%. The Net Asset Value ("NAV") per unit as at 31 October 2024 was USD1.3306 compared to the NAV per unit on 31 October 2023 was USD1.0796.

Since commencement, the Fund has registered a return of 33.06% compared to the benchmark return of 48.36%, underperforming by 15.30%.

#### **MYR Class**

The Fund - MYR class, registered a return of 13.25% compared to the benchmark return of 6.00% during the period. The Fund thus outperformed the Benchmark by 7.25%. The Net Asset Value ("NAV") per unit as at 31 October 2024 was MYR1.3330 compared to the NAV per unit on 31 October 2023 was MYR1.1770.

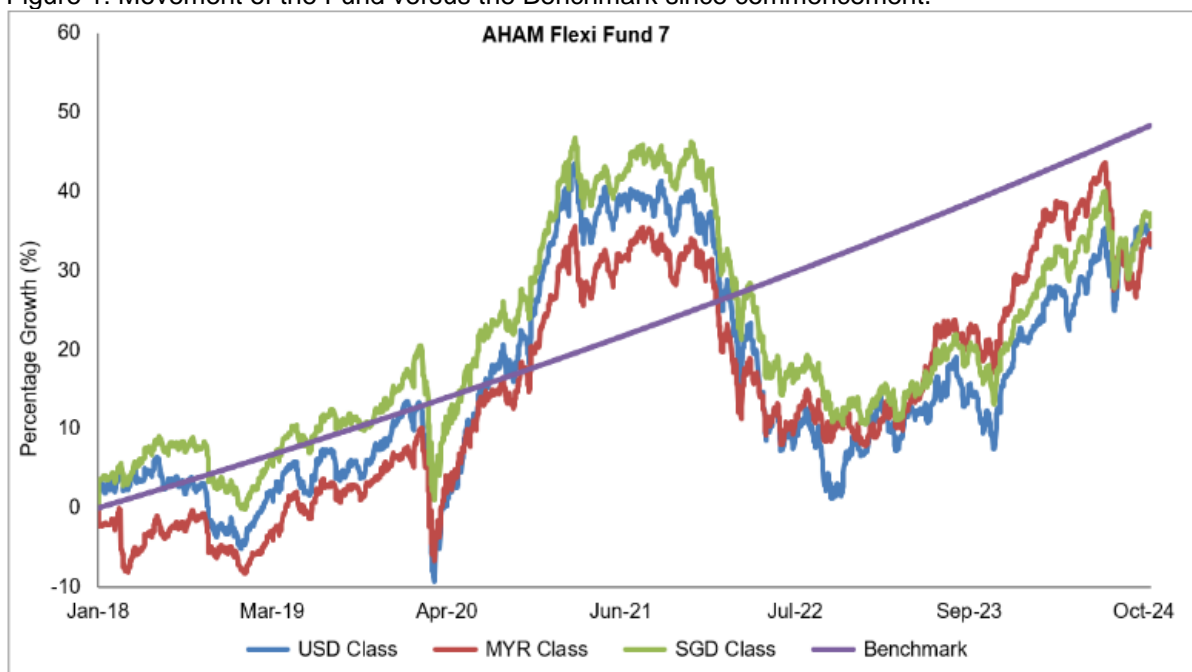
Since commencement, the Fund has registered a return of 33.30% compared to the benchmark return of 48.36%, underperforming by 15.06%.

#### **SGD Class**

The Fund - SGD class, registered a return of 19.46% compared to the benchmark return of 6.00% during the period. The Fund thus outperformed the Benchmark by 13.46%. The Net Asset Value ("NAV") per unit as at 31 October 2024 was SGD1.3566 compared to the NAV per unit on 31 October 2023 was SGD1.1356.

Since commencement, the Fund has registered a return of 35.66% compared to the benchmark return of 48.36%, underperforming 12.70%.

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: 6% 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 2024, the Fund's asset allocation stood at 67.83% (2023: 52.05%) in foreign collective investment scheme while having a 31.45% (2023: 40.48%) allocation in foreign exchange-traded funds. Cash and cash equivalent stood at 0.72% (2023: 2.57%).

### **Strategies Employed**

Over the period under review, the Manager maintained a relatively high investment level in a basket of collective investment schemes; with exposure into both equity and fixed income assets. The focus of the Fund remains in seeking growth and income opportunities for investors.

### **Market Review**

Over the financial year under review, United States ("US") equities experienced modest gains, with the Standard and Poor's 500 ("S&P 500") index closing 0.85% higher as investors analyzed a wave of macroeconomic data and third-quarter earnings reports. Retail sales in September exceeded expectations, rising 0.4% compared to the forecasted 0.3%, highlighting resilient consumer demand despite higher interest rates. Labor market data showed initial unemployment claims fell by 19,000 to a seasonally adjusted 241,000, below the anticipated 260,000. However, analysts noted that these figures could be statistically noisy, emphasizing the importance of tracking the 4-week moving average for a clearer trend. US Treasury yields remained range-bound, with the benchmark 10-year yield fluctuating between 4.01% and 4.10%, as markets awaited key reports such as the October nonfarm payrolls and the upcoming US elections.

In Europe, the European Central Bank (“ECB”) reduced its policy rate by 25 basis points to 3.25%, marking its third rate cut in response to easing inflationary pressures. Meanwhile, corporate earnings season saw most major US banks reporting results that exceeded expectations. In the technology sector, ASML reported solid earnings, though its order book missed forecasts, possibly due to delays linked to Intel, Samsung, and normalized demand from China.

In Asia, the Morgan Stanley Capital International (“MSCI”) Asia ex-Japan index declined by 0.55%, with muted performance in Chinese equities following the release of various economic indicators. China’s Q3 2024 Gross Domestic Product (“GDP”) grew by 4.6% year-on-year, slightly surpassing estimates, but property investments fell more than 10% over the first nine months of the year. Nevertheless, retail sales and industrial production showed improvements in September, offering some optimism.

Domestically, Malaysia’s benchmark Kuala Lumpur Composite Index (“KLCI”) index rose by 0.76% ahead of the tabling of Budget 2025. The budget, amounting to RM421 billion, focused on fiscal consolidation while maintaining expansionary policies to drive sustainable growth. Of the total, RM335 billion was allocated for operating expenditure and RM86 billion for development. The fiscal deficit is projected to narrow to 3.8% of GDP in 2025 from 4.3% in 2024, supported by increased federal government revenue, which is expected to reach RM340 billion in 2025. Malaysia’s GDP growth forecast for 2025 remains healthy at 4.5%–5.5%, underpinned by responsible fiscal management and enhanced revenue collection.

In the fixed-income market, US investment-grade bonds saw minor tightening of 1 basis point, while high-yield bonds tightened significantly by 17 basis points, driven by China’s announcement of additional stimulus measures. The primary bond market was notably active, with over USD 4 billion in new issuances—a 50% increase from the prior week. Key participations included Zurich’s 30NC10 USD bonds, Santander’s 6NC5 SGD bonds, and Sembcorp Industries’ 12-year SGD bond offering a 3.65% yield. Additionally, the fund invested in Sekisui House’s 10-year USD bond with a 5.1% yield, which was oversubscribed by 10 times and gained over 1 point in the secondary market.

On the portfolio front, the fund capitalized on rising yields to extend duration by adding rate exposures and participating in primary deals. Short-duration bonds maturing in the next two years were sold, with proceeds reinvested in long-end US Treasuries. In the Malaysian bond market, the Malaysia Government Securities (“MGS”) yield curve shifted slightly lower by 1 basis point, with the 3-year MGS closing at 3.46%, the 10-year MGS at 3.79%, and the 30-year MGS stable at 4.22%. Activity in the government-guaranteed sukuk space saw spreads widen by 10 basis points in the 3- to 7-year tenure, while the long-end remained within a 5-basis-point spread.

According to Budget 2025, the government estimates inflation to rise to between 2.0% and 3.5% in 2025, compared to the revised forecast of 1.5% to 2.5% for this year. The upcoming subsidy rationalisation of RON95 could stoke inflation, though the overall impact is expected to be contained, as only around 15% of the working population will be directly affected. As such, we expect Bank Negara Malaysia (“BNM”) to maintain the Overnight Policy Rate (“OPR”) at 3.00% for the rest of the year provided that inflation remains well-behaved.

## **Investment Outlook**

U.S. inflation has eased amid aggressive monetary tightening but remained well above Federal Reserve’s 2% target. Resiliency in the U.S. 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 of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the year 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 year 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 year.

### **Securities Financing Transactions**

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

### **Changes Made To the Fund's Information Memorandum**

A Supplemental Information Memorandum dated 28 February 2024 (“Effective Date”) was issued during the financial year under review to reflect the various changes made to the Fund. This includes, but not limited to, those outlined below:

- (i) disclose the designated fund manager of the Fund and custodial arrangements of the Fund;
- (ii) update the definition and eligibility of a Sophisticated Investor;
- (iii) other updates which are general in nature.

**TRUSTEE'S REPORT  
TO THE UNIT HOLDERS OF  
AHAM FLEXI FUND 7 ("FUND")**

We have acted as Trustee of the Fund for the financial year ended 31 October 2024 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 year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
20 December 2024

**AHAM FLEXI FUND 7**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024**

# **AHAM FLEXI FUND 7**

## **FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024**

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## AHAM FLEXI FUND 7

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>INVESTMENT INCOME/(LOSS)</b>			
Dividend income		89,985	161,416
Interest income from financial assets at amortised cost		1,502	3
Net (loss)/gain on foreign currency exchange		(90,361)	2,434
Net gain on financial assets at fair value through profit or loss	8	11,365,067	2,662,854
		<u>11,366,193</u>	<u>2,826,707</u>
<b>EXPENSES</b>			
Management fee	4	(543,610)	(478,351)
Trustee fee	5	(27,180)	(23,917)
Fund accounting fee	6	(5,216)	(6,183)
Auditors' remuneration		(1,885)	(1,901)
Tax agent's fee		(2,042)	(1,441)
Transaction costs		(1,266)	(1,268)
Other expenses		(20,422)	(45,209)
		<u>(601,621)</u>	<u>(558,270)</u>
<b>NET PROFIT BEFORE TAXATION</b>		10,764,572	2,268,437
Taxation	7	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>10,764,572</u>	<u>2,268,437</u>
Increase in net assets attributable to unit holders is made up of the following:			
Realised amount		3,465,588	(3,511,776)
Unrealised amount		7,298,983	5,780,213
		<u>10,764,572</u>	<u>2,268,437</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## AHAM FLEXI FUND 7

### STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>ASSETS</b>			
Cash and cash equivalents	9	461,031	3,683,577
Amount due from Manager			
- management fee rebate receivable		5,110	4,031
Financial assets at fair value through profit or loss	8	56,645,550	45,103,385
<b>TOTAL ASSETS</b>		<u>57,111,691</u>	<u>48,790,993</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		49,025	40,074
Amount due to broker		-	2,454,000
Amount due to Trustee		2,451	2,004
Fund accounting fee		430	418
Auditors' remuneration		1,885	1,901
Tax agent's fee		1,471	739
Other payables and accruals		919	919
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>56,181</u>	<u>2,500,055</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>57,055,510</u>	<u>46,290,938</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>57,055,510</u>	<u>46,290,938</u>

## AHAM FLEXI FUND 7

### STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- MYR Class		1,785,902	1,448,981
- SGD Class		1,026	832
- USD Class		55,268,582	44,841,125
		<u>57,055,510</u>	<u>46,290,938</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- MYR Class	10 (a)	5,862,000	5,862,000
- SGD Class	10 (b)	1,000	1,000
- USD Class	10 (c)	41,536,000	41,536,000
		<u>47,399,000</u>	<u>47,399,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- MYR Class		0.3047	0.2472
- SGD Class		1.0256	0.8320
- USD Class		1.3306	1.0796
		<u>1.3306</u>	<u>1.0796</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- MYR Class		RM1.3330	RM1.1770
- SGD Class		SGD1.3566	SGD1.1356
- USD Class		USD1.3306	USD1.0796
		<u>USD1.3306</u>	<u>USD1.0796</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## AHAM FLEXI FUND 7

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	<u>2024</u> USD	<u>2023</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	46,290,938	44,022,501
Movement due to units created and cancelled during the financial year:		
Increase in net asset attributable to unit holders during the financial year	10,764,572	2,268,437
- MYR Class	336,921	71,489
- SGD Class	194	42
- USD Class	10,427,457	2,196,906
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>57,055,510</u>	<u>46,290,938</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.



## AHAM FLEXI FUND 7

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		92,373,662	49,773,176
Purchase of investments		(95,027,933)	(46,237,461)
Dividends received		82,218	123,360
Interest income received		1,502	3
Management fee rebate received		20,829	134,559
Management fee paid		(534,659)	(475,565)
Trustee fee paid		(26,733)	(23,778)
Fund accounting fee paid		(5,204)	(5,765)
Payment for other fees and expenses		(15,866)	(10,908)
Net realised loss on foreign currency exchange		(107,242)	(19,505)
		<hr/>	<hr/>
Net cash flows (used in)/generated from operating activities		(3,239,426)	3,258,116
		<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(3,239,426)	3,258,116
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		16,880	21,939
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		3,683,577	403,522
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE AT THE END OF THE FINANCIAL YEAR</b>	9	461,031	3,683,577
		<hr/> <hr/>	<hr/> <hr/>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## AHAM FLEXI FUND 7

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

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 year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Fund.

- (b) Standards and amendments that have been issued that are applicable to the Fund 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 date (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 FLEXI FUND 7

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (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 deposits with licensed financial institutions are 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 quoted equities, collective investment schemes ("CIS") and exchange-traded funds ("ETF"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of 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, brokers and dealers. 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 year.

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, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

## AHAM FLEXI FUND 7

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

#### E 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 United States Dollar (USD), which is the Fund’s functional and presentation currency.

#### F 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 year-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.

#### G 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 financial assets measured at 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 and exchange-traded funds have contractual cash flows that do not represent SPPI, and therefore are classified as financial assets measured at fair value through profit or loss.

## AHAM FLEXI FUND 7

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

(i) Classification (continued)

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to broker, amount due to Trustee, payables for fund accounting fee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

(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 foreign 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 year 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 year 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.

## AHAM FLEXI FUND 7

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### (ii) Recognition and measurement (continued)

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 and exchange-traded funds is 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.

##### (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 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.

## AHAM FLEXI FUND 7

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### (iii) Impairment (continued)

###### Definition of default and credit-impaired financial assets (continued)

###### Qualitative criteria:

The debtor meets unlikelihood 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; and
- 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 debts recoveries. There are no write-offs/recoveries during the financial year.

#### H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and 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.

#### I AMOUNT DUE FROM/(TO) BROKER

Amounts due from and to broker 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 G 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.

## **AHAM FLEXI FUND 7**

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)**

#### **J CREATION AND CANCELLATION OF UNITS**

The unit holders' contribution to the Fund meets the definition of puttable instruments classified as financial liabilities under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as the MYR Class, SGD Class and USD Class, which are cancelled at the unit holders' option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unit holder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unit holders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

#### **K INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Income not distributed is included in net assets attributable to unit holders.

#### **L 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.

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 Unlisted Capital Market Products under The Lodge and Launch Framework.



## AHAM FLEXI FUND 7

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)**

#### **L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)**

##### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- (i) The majority of the Fund's investments are in collective investment schemes and exchange-traded funds denominated in USD.
- (ii) Significant portion of the Fund's cash is denominated in USD for the purpose of making settlement of foreign trades and expenses.
- (iii) Significant portion of the Fund's expenses are denominated in USD.

#### **M REALISED AND UNREALISED PORTIONS OF INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

The analysis of realised and unrealised portions of increase in net assets attributable to unit holders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

## **AHAM FLEXI FUND 7**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024**

#### **1 INFORMATION ON THE FUND**

The Wholesale Fund was constituted under the name Affin Hwang Flexi Fund 7 (the “Fund”) pursuant to the execution of a Deed dated 10 November 2017, Supplemental Deed dated 18 January 2018 and Second Supplemental Deed dated 23 August 2023 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Flexi Fund 7 to AHAM Hwang Flexi Fund 7 as amended by the Second Supplemental Deed dated 23 August 2023.

The Fund commenced operations on 22 February 2018 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in any of the following assets, subject to the Deeds, the Fund’s objective, the Guidelines, the requirements of the Securities Commission (“SC”) and all relevant laws:

- (a) Equities;
- (b) Equity-linked instruments;
- (c) Debentures;
- (d) Money market instruments;
- (e) Deposits;
- (f) Derivatives;
- (g) Structure products;
- (h) Units or shares in collective investment schemes;
- (i) Warrants; and
- (j) Any other form of investments as may be determined by Manager from time to time that is in line with the Fund’s objective.

All investments will be subjected to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deeds and the objective of the Fund.

The main objective of the Fund is to provide investors with long term capital appreciation.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded fund and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 20 December 2024.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents		461,031	-	461,031
Amount due from Manager				
- management fee rebate receivable		5,110	-	5,110
Collective investment schemes	8	-	38,701,704	38,701,704
Exchange-traded funds	8	-	17,943,846	17,943,846
		<hr/>	<hr/>	<hr/>
Total		466,141	56,645,550	57,111,691
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		49,025	-	49,025
Amount due to Trustee		2,451	-	2,451
Fund accounting fee		430	-	430
Auditor's remuneration		1,885	-	1,885
Tax agent's fee		1,471	-	1,471
Other payables and accruals		919	-	919
		<hr/>	<hr/>	<hr/>
Total		56,181	-	56,181
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		3,683,577	-	3,683,577
Amount due from Manager				
- management fee rebate receivable		4,031	-	4,031
Collective investment schemes	8	-	26,364,338	26,364,338
Exchange-traded funds	8	-	18,739,047	18,739,047
		<hr/>	<hr/>	<hr/>
Total		3,687,608	45,103,385	48,790,993
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2023 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		40,074	-	40,074
Amount due to broker		2,454,000	-	2,454,000
Amount due to Trustee		2,004	-	2,004
Fund accounting fee		418	-	418
Auditor's remuneration		1,901	-	1,901
Tax agent's fee		739	-	739
Other payables and accruals		919	-	919
Total		<u>2,500,055</u>	<u>-</u>	<u>2,500,055</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 Unlisted Capital Market Products under the Lodge and Launch Framework.

#### Market risk

##### (a) Price risk

Price risk arises mainly for 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 unfavourable 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>2024</u> USD	<u>2023</u> USD
<b>Quoted investments</b>		
Collective investment schemes	38,701,704	26,364,338
Exchange-traded funds	17,943,846	18,739,047
	<u>56,645,550</u>	<u>45,103,385</u>

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2023: 10%) and decreased by 5% (2023: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> USD
<u>2024</u>		
-5%	53,813,273	(2,832,277)
0%	56,645,550	-
+5%	59,477,827	2,832,277
	<u>                    </u>	<u>                    </u>
<u>2023</u>		
-10%	40,593,046	(4,510,339)
0%	45,103,385	-
+10%	49,613,724	4,510,339
	<u>                    </u>	<u>                    </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.

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

As at 31 October 2024, the Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the carrying value of the deposits are held on a short-term basis. As at 31 October 2023, the Fund was not exposed to any interest rate risk.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### (c) Currency risk

Currency risk is associated with assets/liabilities denominated in foreign currencies. When the foreign currencies fluctuate in an unfavorable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus United States Dollar 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:

	Exchange- traded funds USD	Cash and cash equivalents USD	Total USD
<u>2024</u>			
<u>Financial assets</u>			
Euro	-	194	194
Hong Kong Dollar	1,814	606	2,420
Japanese Yen	-	37,029	37,029
Malaysian Ringgit	-	299,182	299,182
Singapore Dollar	-	24	24
	1,814	337,035	338,849
	1,814	337,035	338,849
	Other payables*	Net assets attributable to unit holders	Total
	USD	USD	USD
<u>Financial liabilities</u>			
Malaysian Ringgit	4,705	1,785,902	1,790,607
Singapore Dollar	-	1,026	1,026
	4,705	1,786,928	1,791,633
	4,705	1,786,928	1,791,633

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

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

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

		Cash and cash equivalents USD	Total USD
<u>2023</u>			
<u>Financial assets</u>			
Euro		191	191
Hong Kong Dollar		24,273	24,273
Japanese Yen		38,800	38,800
Malaysian Ringgit		2,048	2,048
Singapore Dollar		24	24
		65,336	65,336
		65,336	65,336
	Other payables*	Net assets attributable to unit holders	Total USD
	USD	USD	USD
<u>Financial liabilities</u>			
Malaysian Ringgit	3,977	1,448,981	1,452,958
Singapore Dollar	-	832	832
	3,977	1,449,813	1,453,790
	3,977	1,449,813	1,453,790

\* Other payables consist of payables for auditors' remuneration, tax agent's fee, and other payables and accruals.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (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 profit after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 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 unit holders by approximately each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change <u>in rate</u> %	Impact on profit after tax/ <u>NAV</u> USD
<u>2024</u>		
Euro	+/-6.03	+/- 17
Hong Kong Dollar	+/-0.74	+/- 24
Japanese Yen	+/-11.30	+/- 4,318
Malaysian Ringgit	+/-6.61	-/+ 95,899
Singapore Dollar	+/-4.21	-/+ 54
<hr/>		
<u>2023</u>		
Euro	+/-8.72	+/- 17
Hong Kong Dollar	+/-1.01	+/- 245
Japanese Yen	+/-11.66	+/- 4,524
Malaysian Ringgit	+/-6.43	-/+ 93,294
Singapore Dollar	+/-5.38	-/+ 43
<hr/>		

##### 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.



## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### Credit risk (continued)

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 the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2024</u>			
Financial services			
- AAA	299,181	-	299,181
- Aa3	161,850	-	161,850
Others			
- Non-rated ("NR")	-	5,110	5,110
	<u>461,031</u>	<u>5,110</u>	<u>466,141</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>2023</u>			
Financial services			
- AAA	3,683,577	-	3,683,577
Others			
- NR	-	4,031	4,031
	<u>3,683,577</u>	<u>4,031</u>	<u>3,687,608</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>

##### 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 unit by unit holders. Liquid assets comprise cash 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.



## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### Liquidity risk (continued)

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

	Within one month USD	Between one month to one year USD	Total USD
<u>2024</u>			
Amount due to Manager			
- management fee	49,025	-	49,025
Amount due to Trustee	2,451	-	2,451
Auditors' remuneration	-	1,885	1,885
Fund accounting fee	430	-	430
Tax agent's fee	-	1,471	1,471
Other payables and accruals	-	919	919
Net assets attributable to unit holders*	57,055,510	-	57,055,510
	<u>57,107,416</u>	<u>4,275</u>	<u>57,111,691</u>
<u>2023</u>			
Amount due to Manager			
- management fee	40,074	-	40,074
Amount due to Trustee	2,004	-	2,004
Amount due to broker	2,454,000	-	2,454,000
Auditors' remuneration	-	1,901	1,901
Fund accounting fee	418	-	418
Tax agent's fee	-	739	739
Other payables and accruals	-	919	919
Net assets attributable to unit holders*	46,290,938	-	46,290,938
	<u>48,787,434</u>	<u>3,559</u>	<u>48,790,993</u>

\* Outstanding units are redeemed on demand at the unit holders' option (Note J). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

##### Capital risk

The capital of the Fund is represented by net assets attributable to unit holders. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. 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 unit holders 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 year end date. The Fund utilises the 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.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(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 FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (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> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2024</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	38,701,704	-	-	38,701,704
- exchange-traded funds	17,943,846	-	-	17,943,846
	<u>56,645,550</u>	<u>-</u>	<u>-</u>	<u>56,645,550</u>
<u>2023</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	26,364,338	-	-	26,364,338
- exchange-traded funds	18,739,047	-	-	18,739,047
	<u>45,103,385</u>	<u>-</u>	<u>-</u>	<u>45,103,385</u>

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

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

## **AHAM FLEXI FUND 7**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)**

#### **4 MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 October 2024, the management fee is recognised at a rate of 1.00% (2023: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### **5 TRUSTEE FEE**

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, excluding of foreign custodian fees and charges.

For the financial year ended 31 October 2024, the Trustee's fee is recognised at a rate of 0.05% (2023: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Information Memorandum.

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

#### **6 FUND ACCOUNTING FEE**

The fund valuation and accounting fee for the Fund is RM24,000 (equivalent to: USD5,216) (2023: RM28,000 (equivalent to: USD6,183) for the financial year.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

#### 7 TAXATION

	<u>2024</u> USD	<u>2023</u> USD
Current taxation	-	-

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

	<u>2024</u> USD	<u>2023</u> USD
Net profit before taxation	10,764,572	2,268,437
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	2,583,497	544,425
Tax effects of:		
Investment income not subject to tax	(2,722,628)	(649,034)
Expenses not deductible for tax purposes	13,470	18,724
Restrictions on tax deduction expenses for Wholesale Fund	125,661	85,885
Tax expense	-	-

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

	<u>2024</u> USD	<u>2023</u> USD
Financial assets at fair value through profit or loss:		
- collective investment schemes - local	-	2,268,450
- collective investment schemes - foreign	38,701,704	24,095,888
- exchange-traded funds – foreign	17,943,846	18,739,047
	<u>56,645,550</u>	<u>45,103,385</u>
Net gain on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	4,061,056	(3,217,816)
- unrealised gain on changes in fair value	7,282,103	5,758,274
- management fee rebate on collective investment schemes #	21,908	122,396
	<u>11,365,067</u>	<u>2,662,854</u>



## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

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

(a) Collective investment schemes - local

(i) There is no collective investment scheme - local as at 31 October 2024.

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

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Affin Hwang Absolute Return Fund II – USD Class	5,511,297	3,057,758	2,268,450	4.90
Total collective investment scheme - local	<u>5,511,297</u>	<u>3,057,758</u>	<u>2,268,450</u>	<u>4.90</u>
Accumulated unrealised loss on collective investment scheme - local		<u>(789,308)</u>		
Total collective investment scheme - local		<u>2,268,450</u>		

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

(b) Collective investment schemes – foreign

(i) Collective investment schemes - foreign as at 31 October 2024 are as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
BlackRock Global Funds -World Healthscience Fund A2	38,398	2,800,000	2,717,827	4.77
Franklin Technology Fund I (Acc) USD	42,005	2,590,000	2,971,821	5.21
FTGF ClearBridge Global Infra - Structure Income Fund PR USD DIS (M) PLUS	34,106	3,250,000	3,208,731	5.62
GQG Global UCITS ICAV – GQG Partners US Equity Fund Class I USD Acc	285,666	4,080,000	4,433,532	7.77
HSBC US Dollar Liquidity Fund-J	5,230,711	6,018,230	6,112,718	10.71
Janus Henderson Investor Horizon - Biotechnology Fund A2 USD	111,005	3,012,677	3,000,467	5.26
JPMorgan Funds - U.S. Technology Fund I Acc USD	6,485	1,263,917	1,770,690	3.10
Lazard Japanese Strategic Equity Fund A Acc USD	19,495	2,890,000	2,901,827	5.09
Nikko AM Global Equity Fund B USD Acc*	305,280	5,550,000	5,901,073	10.34
TT Asia-Pacific Equity Fund Class A2 Shares USD	450,461	5,220,000	5,683,018	9.96
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - foreign	6,523,612	36,674,824	38,701,704	67.83
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated unrealised gain on collective investment schemes - foreign		2,026,880		
		<hr/>		
Total collective investment schemes - foreign		38,701,704		
		<hr/>		

\*Managed by a related company of the substantial shareholder of the Manager.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

(b) Collective investment schemes – foreign (continued)

(ii) Collective investment schemes - foreign as at 31 October 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Baillie Gifford Worldwide Global Income Growth Fund Class B USD Acc	320,941	4,742,122	4,326,119	9.35
GQG Partners US Equity Fund - Class I USD Acc	220,518	2,300,000	2,374,976	5.13
HSBC Global Liquidity Fund PLC - US Dollar Liquidity Fund- J	1,359,954	1,465,841	1,506,814	3.26
Lazard Global Equity Franchise - Class A Acc USD	24,087	4,920,000	4,554,733	9.83
Janus Henderson Investor - Horizon Biotechnology Class IU2 USD	137,556	2,454,000	2,454,000	5.30
JPMorgan Funds - US Technology Fund – Class I Acc USD	12,590	2,454,000	2,368,637	5.12
UBAM - 30 Global Leaders Equity - Class AC USD	22,510	5,380,000	5,266,762	11.37
UBS Lux Investment SICAV II - China A Opportunity Equity Fund USD Class I A1 Acc	13,329	1,871,389	1,243,847	2.69
Total collective investment schemes - foreign	<u>2,111,485</u>	<u>25,587,352</u>	<u>24,095,888</u>	<u>52.05</u>
Accumulated unrealised loss on collective investment schemes - foreign		<u>(1,491,464)</u>		
Total collective investment schemes - foreign		<u>24,095,888</u>		

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

(c) Exchange-traded funds - foreign

(i) Exchange-traded funds - foreign as at 31 October 2024 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Hang Seng China Enterprise Index ETF - HKD	190	1,579	1,814	0.00
iShares Core MSCI AC Asia ex Japan Index ETF - USD	411,580	2,606,787	3,128,008	5.48
iShares Core S&P 500 UCITS ETF USD (Acc)	12,775	6,354,949	7,747,399	13.58
iShares Ultrashort Bond UCITS ETF USD (Acc)	84,370	479,281	500,398	0.88
JPM Global Research Enhanced Index Equity (ESG) UCITS ETF – USD (Acc)	88,640	4,214,495	4,420,477	7.75
JPM US Research Enhance Index Equity (ESG) UCITS ETF – USD (acc)	37,415	1,993,779	2,145,750	3.76
Total exchange-traded funds - foreign	<u>634,970</u>	<u>15,650,870</u>	<u>17,943,846</u>	<u>31.45</u>
Accumulated unrealised gain on exchange-traded funds - foreign		<u>2,292,976</u>		
Total exchange-traded funds - foreign		<u>17,943,846</u>		

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

(c) Exchange-traded funds – foreign (continued)

(ii) Exchange-traded fund - foreign as at 31 October 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Hang Seng Investment Index ETF	117,000	992,264	888,156	1.92
iShares Core S&P 500 UCITS ETF USD Acc	16,970	7,320,419	7,406,046	16.00
iSHARES CORE TOPIX-ETF	120,810	1,888,770	1,857,113	4.00
iShares MSCI ACWI UCITS-ETF USD Acc	55,195	3,718,393	3,636,247	7.86
iShares MSCI All Country Asia ex Japan ETF	28,860	1,937,245	1,771,715	3.83
Vanguard FTSE Europe ETF	56,640	3,563,431	3,179,770	6.87
	<hr/>	<hr/>	<hr/>	<hr/>
Total exchange-traded funds - foreign	395,475	19,420,522	18,739,047	40.48
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised loss on exchange-traded funds - foreign		(681,475)		
		<hr/>		
Total exchange-traded funds - foreign		18,739,047		
		<hr/> <hr/>		

#### 9 CASH AND CASH EQUIVALENTS

	<u>2024 USD</u>	<u>2023 USD</u>
Cash and bank balances	162,455	3,683,577
Deposit with a licensed financial institution	298,576	-
	<hr/>	<hr/>
	461,031	3,683,577
	<hr/> <hr/>	<hr/> <hr/>

Weighted average effective interest rates per annum of deposit with a licensed financial institution are as follows:

	<u>2024 %</u>	<u>2023 %</u>
Deposit with a licensed financial institution	3.05	-
	<hr/> <hr/>	<hr/> <hr/>

Deposit with a licensed financial institution of the Fund has an average remaining maturity period of 1 day for financial year ended 31 October 2024.

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION

(a) MYR Class units in circulation

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning/end of the financial year	<u>5,862,000</u>	<u>5,862,000</u>

(b) SGD Class units in circulation

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning/end of the financial year	<u>1,000</u>	<u>1,000</u>

(c) USD Class units in circulation

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning/end of the financial year	<u>41,536,000</u>	<u>41,536,000</u>

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS

(i) Details of transaction with brokers for the financial year ended 31 October 2024 are as follows:

<u>Name of brokers</u>	<u>Value of trade USD</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees USD</u>	<u>Percentage of total brokerage %</u>
Flow Traders	44,963,461	24.31	-	-
CLSA Ltd	25,355,758	13.71	-	-
Union Bancaire Privée	19,391,219	10.48	-	-
HSBC Global Asset Management	17,232,917	9.32	-	-
Baillie Gifford & Co	12,678,552	6.86	-	-
Janus Henderson	11,802,637	6.38	-	-
Lazard Asset Management	9,858,128	5.33	-	-
GQG Partners LLC	6,812,215	3.68	-	-
Franklin Templeton Investment	5,840,000	3.16	-	-
Nikko Asset Management Asia Ltd #	5,550,000	3.00	-	-
Others #	24,463,974	13.77	1,244	100.00
	<u>184,948,861</u>	<u>100.00</u>	<u>1,244</u>	<u>100.00</u>

(ii) Details of transaction with brokers for the financial year ended 31 October 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade USD</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees USD</u>	<u>Percentage of total brokerage %</u>
HSBC Global Asset Management	29,034,000	29.49	-	-
Flow Traders	15,054,401	15.29	-	-
AHAM Asset Management Bhd #	8,820,758	8.96	-	-
Nikko Asset Management Asia Ltd #	6,644,744	6.75	-	-
Pacific Investment Management Company LLC	6,180,541	6.28	-	-
UBP Lux	5,380,000	5.46	-	-
Lazard Asset Management	4,920,000	5.00	-	-
Morgan Stanley	4,848,154	4.92	-	-
TT international Ltd	4,609,229	4.68	-	-
Robert W. Baird & Co.	4,108,785	4.17	1,268	100.00
Others	8,862,756	9.00	-	-
	<u>98,463,368</u>	<u>100.00</u>	<u>1,268</u>	<u>100.00</u>

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS (CONTINUED)

# Included in transactions with broker are trades with AHAM Asset Management Berhad, the Manager amounting to USD2,374,267 (2023: USD8,820,758) and Nikko Asset Management Asia Ltd, a company related to the Manager amounting to USD5,550,000 (2023: USD6,644,744). The Manager is of the opinion that all transactions with the Manager and related company have been entered in the normal course of business at agreed terms between related parties.

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

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

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder 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
Directors of AHAM Asset Management Berhad	Directors of the Manager



## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

The units held by the Manager as at the end of the financial year are as follows:

	<u>2024</u>		<u>2023</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)				
- MYR Class	9,261	2,822	9,261	2,289
- SGD Class	1,000	1,026	1,000	832
- USD Class	2,563	3,410	2,563	2,767
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Other than the above, there were no units held by the Directors or parties related to the Manager.

#### 13 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u>	<u>2023</u>
	%	%
	1.09	1.09
	<u>          </u>	<u>          </u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is USD54,317,392 (2023: USD47,757,574).

## AHAM FLEXI FUND 7

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
PTR (times)	1.67	1.06

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD92,573,933 (2023: USD48,690,193)  
total disposal for the financial year = USD83,313,871 (2023: USD52,990,992)

## **AHAM FLEXI FUND 7**

### **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 38 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year ended 31 October 2024 in accordance with the Malaysian Financial Reporting Standards and 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  
20 December 2024

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AHAM FLEXI FUND 7

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of AHAM Flexi Fund 7 (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 October 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 38.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and other ethical responsibilities*

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

#### Information other than the financial statements and auditors’ report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager’s Report, but does not include the financial statements of the Fund and our auditors’ report thereon.

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PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM FLEXI FUND 7 (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM FLEXI FUND 7 (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM FLEXI FUND 7 (CONTINUED)**

**OTHER MATTERS**

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants**

**Kuala Lumpur  
20 December 2024**

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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