



**ANNUAL REPORT**  
31 October 2024

# AHAM World Series – **US Short Duration High Income Fund**

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

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

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**AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

**Annual Report and Audited Financial Statements  
For Financial Period Ended 31 October 2024**

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## FUND INFORMATION

Fund Name	AHAM World Series – US Short Duration High Income Fund
Fund Type	Income
Fund Category	Bond feeder (Wholesale)
Investment Objective	The Fund aims to provide investors with regular income through investments in US high yield bonds
Benchmark	Merrill Lynch 1-3 Years BB-B Cash Pay High Yield Index
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis.

**FUND PERFORMANCE DATA**

<b>Category</b>	<b>As at 31 Oct 2024 (%)</b>	<b>As at 31 Oct 2023 (%)</b>	<b>As at 31 Oct 2022 (%)</b>
Portfolio composition			
<b>Collective investment scheme - foreign</b>	<b>94.52</b>	<b>94.18</b>	<b>95.37</b>
<b>Cash &amp; cash equivalent</b>	<b>5.48</b>	<b>5.82</b>	<b>4.63</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Category	As at 31 Oct 2024 (%)							As at 31 Oct 2023 (%)							As at 31 Oct 2022 (%)						
	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYRH</u> <u>Class</u>	<u>SGDH</u> <u>Class</u>	<u>AUDH</u> <u>Class</u>	<u>GBPH</u> <u>Class</u>	<u>EURH</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYRH</u> <u>Class</u>	<u>SGDH</u> <u>Class</u>	<u>AUDH</u> <u>Class</u>	<u>GBPH</u> <u>Class</u>	<u>EURH</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYRH</u> <u>Class</u>	<u>SGDH</u> <u>Class</u>	<u>AUDH</u> <u>Class</u>	<u>GBPH</u> <u>Class</u>	<u>EURH</u> <u>Class</u>
Total NAV (million)	3.454	5.570	11.033	2.692	0.593	0.245	0.541	1.565	2.690	8.940	0.314	0.868	0.101	0.385	1.686	7.687	8.409	0.375	0.886	0.210	0.147
NAV per unit (in respective currencies)	0.4703	0.4661	0.4949	0.4338	0.4674	0.4431	0.4028	0.4394	0.4736	0.4746	0.4143	0.4448	0.4161	0.3834	0.4436	0.4926	0.4752	0.4257	0.4571	0.4235	0.3957
Unit in Circulation (million)	7.345	11.950	22.294	6.205	1.269	0.553	1.344	3.563	5.680	18.837	0.758	1.952	0.242	1.005	3.800	15.604	17.694	0.881	1.939	0.495	0.371
Highest NAV	0.4748	0.5000	0.5019	0.4412	0.4743	0.4481	0.4085	0.4537	0.4813	0.4976	0.4326	0.4640	0.4298	0.4007	0.4962	0.5493	0.4752	0.4790	0.5151	0.4749	0.4629
Lowest NAV	0.4393	0.4414	0.4744	0.4142	0.4446	0.4160	0.3834	0.4353	0.4289	0.4740	0.4139	0.4444	0.4138	0.3831	0.4340	0.4823	0.4370	0.4171	0.4472	0.4134	0.3877
Return of the Fund (%)	13.05	3.89	9.90	10.45	11.25	12.33	10.91	3.95	4.74	1.26	2.09	2.16	3.13	1.53	-6.48	6.76	-6.19	-7.11	-7.27	-6.66	-9.43
- Capital Return (%)	7.03	-1.58	4.28	4.71	5.08	6.49	5.06	-0.95	-0.34	-3.65	-2.68	-2.69	-1.75	-3.11	-10.22	2.88	-9.83	-10.79	-10.91	-10.47	-13.51
- Income Return (%)	5.62	5.57	5.39	5.48	5.87	5.48	5.57	4.94	5.10	5.10	4.90	4.98	4.97	4.79	4.17	3.78	4.04	4.13	4.09	4.25	4.71
Gross Distribution per Unit (sen)	2.52	2.60	2.58	2.30	2.64	2.32	2.16	2.14	2.27	2.41	2.03	2.21	2.05	1.83	1.90	1.70	2.04	1.81	1.93	1.85	1.97
Net Distribution per Unit (sen)	2.52	2.60	2.58	2.30	2.64	2.32	2.16	2.14	2.27	2.41	2.03	2.21	2.05	1.83	1.90	1.70	2.04	1.81	1.93	1.85	1.97
Total Expense Ratio (%) <sup>1</sup>				1.62							1.64							1.66			
Portfolio Turnover Ratio (times) <sup>2</sup>				0.76							0.89							0.94			

<sup>1</sup> The Fund's TER was lower than previous year due to a higher average NAV of the Fund calculated on a daily basis for the financial year.

<sup>2</sup> The Fund's PTR was lower than previous year due to a higher average NAV of the Fund calculated on a daily basis during 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**

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

**USD Class**

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
21-Oct-24	22-Oct-24	0.4748	0.0016	0.4713
22-Sep-24	23-Sep-24	0.4748	0.0018	0.4726
21-Aug-24	22-Aug-24	0.4665	0.0023	0.4648
21-Jul-24	22-Jul-24	0.4633	0.0023	0.4611
23-Jun-24	24-Jun-24	0.4583	0.0020	0.4561
22-May-24	23-May-24	0.4594	0.0023	0.4573
21-Apr-24	22-Apr-24	0.4525	0.0023	0.4510
21-Mar-24	22-Mar-24	0.4599	0.0023	0.4594
21-Feb-24	22-Feb-24	0.4599	0.0023	0.4572
21-Jan-24	22-Jan-24	0.4575	0.0019	0.4555
20-Dec-23	21-Dec-23	0.4605	0.0020	0.4593
20-Nov-23	21-Nov-23	0.4498	0.0021	0.4485
19-Oct-23	20-Oct-23	0.4418	0.0021	0.4396
19-Sep-23	20-Sep-23	0.4529	0.0015	0.4512
21-Aug-23	22-Aug-23	0.4504	0.0018	0.4485
20-Jul-23	21-Jul-23	0.4533	0.0018	0.4506
20-Jun-23	21-Jun-23	0.4511	0.0019	0.4486
16-May-23	17-May-23	0.4440	0.0018	0.4410
18-Apr-23	19-Apr-23	0.4425	0.0019	0.4416
16-Mar-23	17-Mar-23	0.4379	0.0019	0.4364
16-Feb-23	17-Feb-23	0.4456	0.0017	0.4429
19-Jan-23	20-Jan-23	0.4493	0.0018	0.4451
20-Dec-22	21-Dec-22	0.4419	0.0017	0.4388
20-Nov-22	21-Nov-22	0.4422	0.0017	0.4390
20-Oct-22	21-Oct-22	0.4359	0.0017	0.4346
20-Sep-22	21-Sep-22	0.4449	0.0014	0.4430
21-Aug-22	22-Aug-22	0.4577	0.0017	0.4541
20-Jul-22	21-Jul-22	0.4428	0.0006	0.4450
20-Jun-22	21-Jun-22	0.4448	0.0017	0.4436
19-May-22	20-May-22	0.4534	0.0017	0.4519
24-Apr-22	25-Apr-22	0.4716	0.0017	0.4690
20-Mar-22	21-Mar-22	0.4749	0.0017	0.4741
20-Feb-22	21-Feb-22	0.4806	0.0017	0.4789
23-Jan-22	24-Jan-22	0.4923	0.0017	0.4895
20-Dec-21	21-Dec-21	0.4924	0.0017	0.4902
18-Nov-21	19-Nov-21	0.4944	0.0017	0.4927

**MYR Hedged-class**

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
21-Oct-24	22-Oct-24	0.5007	0.0024	0.4963
22-Sep-24	23-Sep-24	0.5019	0.0024	0.4990
21-Aug-24	22-Aug-24	0.4945	0.0019	0.4931
21-Jul-24	22-Jul-24	0.4921	0.0022	0.4900
23-Jun-24	24-Jun-24	0.4878	0.0021	0.4854
22-May-24	23-May-24	0.4895	0.0021	0.4874
21-Apr-24	22-Apr-24	0.4828	0.0021	0.4815
21-Mar-24	22-Mar-24	0.4914	0.0021	0.4912
21-Feb-24	22-Feb-24	0.4923	0.0021	0.4897
21-Jan-24	22-Jan-24	0.4910	0.0021	0.4887
20-Dec-23	21-Dec-23	0.4952	0.0021	0.4940
20-Nov-23	21-Nov-23	0.4850	0.0022	0.4836
19-Oct-23	20-Oct-23	0.4779	0.0025	0.4752
19-Sep-23	20-Sep-23	0.4915	0.0021	0.4891
21-Aug-23	22-Aug-23	0.4899	0.0021	0.4876
20-Jul-23	21-Jul-23	0.4944	0.0021	0.4912
20-Jun-23	21-Jun-23	0.4927	0.0020	0.4900
16-May-23	17-May-23	0.4862	0.0020	0.4828
18-Apr-23	19-Apr-23	0.4857	0.0020	0.4847
16-Mar-23	17-Mar-23	0.4820	0.0021	0.4801
16-Feb-23	17-Feb-23	0.4912	0.0017	0.4884
19-Jan-23	20-Jan-23	0.4958	0.0021	0.4909
20-Dec-22	21-Dec-22	0.4888	0.0017	0.4855
20-Nov-22	21-Nov-22	0.4898	0.0018	0.4864
20-Oct-22	21-Oct-22	0.4837	0.0017	0.4825
20-Sep-22	21-Sep-22	0.4950	0.0017	0.4928
21-Aug-22	22-Aug-22	0.5092	0.0017	0.5053
20-Jul-22	21-Jul-22	0.4939	0.0017	0.4954
20-Jun-22	21-Jun-22	0.4959	0.0017	0.4950
19-May-22	20-May-22	0.5050	0.0017	0.5036
24-Apr-22	25-Apr-22	0.5256	0.0017	0.5228
20-Mar-22	21-Mar-22	0.5282	0.0017	0.5276
20-Feb-22	21-Feb-22	0.5339	0.0017	0.5323
23-Jan-22	24-Jan-22	0.5459	0.0017	0.5431
20-Dec-21	21-Dec-21	0.5452	0.0017	0.5429
18-Nov-21	19-Nov-21	0.5472	0.0017	0.5455

**MYR Class**

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
21-Oct-24	22-Oct-24	0.4636	0.0022	0.4618
22-Sep-24	23-Sep-24	0.4529	0.0022	0.4502
21-Aug-24	22-Aug-24	0.4635	0.0023	0.4619
21-Jul-24	22-Jul-24	0.4928	0.0024	0.4901
23-Jun-24	24-Jun-24	0.4899	0.0018	0.4879
22-May-24	23-May-24	0.4891	0.0022	0.4878
21-Apr-24	22-Apr-24	0.4901	0.0020	0.4883
21-Mar-24	22-Mar-24	0.4911	0.0025	0.4926
21-Feb-24	22-Feb-24	0.4993	0.0025	0.4942
21-Jan-24	22-Jan-24	0.4888	0.0020	0.4879
20-Dec-23	21-Dec-23	0.4853	0.0018	0.4841
20-Nov-23	21-Nov-23	0.4750	0.0022	0.4722

19-Oct-23	20-Oct-23	0.4768	0.0023	0.4742
19-Sep-23	20-Sep-23	0.4813	0.0017	0.4784
21-Aug-23	22-Aug-23	0.4739	0.0020	0.4718
20-Jul-23	21-Jul-23	0.4661	0.0020	0.4653
20-Jun-23	21-Jun-23	0.4740	0.0020	0.4718
16-May-23	17-May-23	0.4522	0.0019	0.4520
18-Apr-23	19-Apr-23	0.4442	0.0019	0.4440
16-Mar-23	17-Mar-23	0.4464	0.0019	0.4433
16-Feb-23	17-Feb-23	0.4443	0.0017	0.4445
19-Jan-23	20-Jan-23	0.4385	0.0022	0.4318
20-Dec-22	21-Dec-22	0.4441	0.0017	0.4415
20-Nov-22	21-Nov-22	0.4560	0.0017	0.4556
20-Oct-22	21-Oct-22	0.4670	0.0017	0.4668
20-Sep-22	21-Sep-22	0.4599	0.0017	0.4570
21-Aug-22	22-Aug-22	0.4646	0.0017	0.4619
20-Jul-22	21-Jul-22	0.4463	0.0001	0.4498
20-Jun-22	21-Jun-22	0.4431	0.0017	0.4415
19-May-22	20-May-22	0.4511	0.0006	0.4491
24-Apr-22	25-Apr-22	0.4606	0.0015	0.4616
20-Mar-22	21-Mar-22	0.4498	0.0016	0.4501
20-Feb-22	21-Feb-22	0.4543	0.0016	0.4519
23-Jan-22	24-Jan-22	0.4653	0.0017	0.4629
20-Dec-21	21-Dec-21	0.4700	0.0017	0.4658
18-Nov-21	19-Nov-21	0.4667	0.0014	0.4654

#### SGD Hedged-class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
21-Oct-24	22-Oct-24	0.4388	0.0020	0.4350
22-Sep-24	23-Sep-24	0.4412	0.0021	0.4386
21-Aug-24	22-Aug-24	0.4343	0.0022	0.4327
21-Jul-24	22-Jul-24	0.4318	0.0019	0.4299
23-Jun-24	24-Jun-24	0.4277	0.0012	0.4262
22-May-24	23-May-24	0.4290	0.0018	0.4273
21-Apr-24	22-Apr-24	0.4229	0.0018	0.4217
21-Mar-24	22-Mar-24	0.4301	0.0022	0.4297
21-Feb-24	22-Feb-24	0.4310	0.0022	0.4284
21-Jan-24	22-Jan-24	0.4294	0.0018	0.4273
20-Dec-23	21-Dec-23	0.4329	0.0019	0.4317
20-Nov-23	21-Nov-23	0.4235	0.0019	0.4223
19-Oct-23	20-Oct-23	0.4170	0.0022	0.4146
19-Sep-23	20-Sep-23	0.4281	0.0010	0.4266
21-Aug-23	22-Aug-23	0.4268	0.0017	0.4250
20-Jul-23	21-Jul-23	0.4304	0.0017	0.4279
20-Jun-23	21-Jun-23	0.4289	0.0018	0.4265
16-May-23	17-May-23	0.4237	0.0017	0.4209
18-Apr-23	19-Apr-23	0.4232	0.0017	0.4224
16-Mar-23	17-Mar-23	0.4193	0.0018	0.4177
16-Feb-23	17-Feb-23	0.4269	0.0017	0.4242
19-Jan-23	20-Jan-23	0.4308	0.0016	0.4269
20-Dec-22	21-Dec-22	0.4240	0.0017	0.4210
20-Nov-22	21-Nov-22	0.4244	0.0017	0.4212
20-Oct-22	21-Oct-22	0.4184	0.0017	0.4171
20-Sep-22	21-Sep-22	0.4286	0.0017	0.4265
21-Aug-22	22-Aug-22	0.4410	0.0017	0.4375



20-Jul-22	21-Jul-22	0.4266	0.0004	0.4286
20-Jun-22	21-Jun-22	0.4289	0.0017	0.4277
19-May-22	20-May-22	0.4370	0.0017	0.4357
24-Apr-22	25-Apr-22	0.4548	0.0015	0.4522
20-Mar-22	21-Mar-22	0.4583	0.0017	0.4575
20-Feb-22	21-Feb-22	0.4639	0.0017	0.4622
23-Jan-22	24-Jan-22	0.4749	0.0012	0.4726
20-Dec-21	21-Dec-21	0.4753	0.0017	0.4732
18-Nov-21	19-Nov-21	0.4772	0.0014	0.4758

**AUD Hedged-class**

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
21-Oct-24	22-Oct-24	0.4734	0.0023	0.4692
22-Sep-24	23-Sep-24	0.4743	0.0023	0.4715
21-Aug-24	22-Aug-24	0.4667	0.0023	0.4650
21-Jul-24	22-Jul-24	0.4636	0.0023	0.4614
23-Jun-24	24-Jun-24	0.4595	0.0023	0.4570
22-May-24	23-May-24	0.4611	0.0023	0.4589
21-Apr-24	22-Apr-24	0.4550	0.0023	0.4534
21-Mar-24	22-Mar-24	0.4628	0.0023	0.4623
21-Feb-24	22-Feb-24	0.4637	0.0023	0.4609
21-Jan-24	22-Jan-24	0.4616	0.0015	0.4599
20-Dec-23	21-Dec-23	0.4652	0.0020	0.4641
20-Nov-23	21-Nov-23	0.4550	0.0021	0.4538
19-Oct-23	20-Oct-23	0.4474	0.0021	0.4452
19-Sep-23	20-Sep-23	0.4597	0.0016	0.4574
21-Aug-23	22-Aug-23	0.4581	0.0018	0.4562
20-Jul-23	21-Jul-23	0.4619	0.0019	0.4589
20-Jun-23	21-Jun-23	0.4607	0.0019	0.4582
16-May-23	17-May-23	0.4544	0.0019	0.4514
18-Apr-23	19-Apr-23	0.4538	0.0019	0.4529
16-Mar-23	17-Mar-23	0.4496	0.0019	0.4480
16-Feb-23	17-Feb-23	0.4578	0.0017	0.4551
19-Jan-23	20-Jan-23	0.4627	0.0020	0.4582
20-Dec-22	21-Dec-22	0.4557	0.0017	0.4525
20-Nov-22	21-Nov-22	0.4564	0.0017	0.4530
20-Oct-22	21-Oct-22	0.4489	0.0017	0.4474
20-Sep-22	21-Sep-22	0.4592	0.0011	0.4575
21-Aug-22	22-Aug-22	0.4728	0.0017	0.4691
20-Jul-22	21-Jul-22	0.4578	0.0012	0.4595
20-Jun-22	21-Jun-22	0.4603	0.0017	0.4590
19-May-22	20-May-22	0.4693	0.0017	0.4681
24-Apr-22	25-Apr-22	0.4888	0.0017	0.4860
20-Mar-22	21-Mar-22	0.4928	0.0017	0.4920
20-Feb-22	21-Feb-22	0.4989	0.0017	0.4971
23-Jan-22	24-Jan-22	0.5108	0.0017	0.5079
20-Dec-21	21-Dec-21	0.5109	0.0017	0.5087
18-Nov-21	19-Nov-21	0.5128	0.0017	0.5111

**GBP Hedged-class**

Cum Date	Ex-Date	Cum-distribution (GBP)	Distribution per Unit (GBP)	Ex-distribution (GBP)
21-Oct-24	22-Oct-24	0.4480	0.0021	0.4442
22-Sep-24	23-Sep-24	0.4481	0.0021	0.4455
21-Aug-24	22-Aug-24	0.4407	0.0022	0.4390
21-Jul-24	22-Jul-24	0.4376	0.0019	0.4357
23-Jun-24	24-Jun-24	0.4336	0.0019	0.4315
22-May-24	23-May-24	0.4344	0.0017	0.4328
21-Apr-24	22-Apr-24	0.4278	0.0019	0.4266
21-Mar-24	22-Mar-24	0.4344	0.0019	0.4344
21-Feb-24	22-Feb-24	0.4346	0.0019	0.4323
21-Jan-24	22-Jan-24	0.4326	0.0019	0.4306
20-Dec-23	21-Dec-23	0.4354	0.0019	0.4344
20-Nov-23	21-Nov-23	0.4255	0.0020	0.4244
19-Oct-23	20-Oct-23	0.4184	0.0020	0.4163
19-Sep-23	20-Sep-23	0.4287	0.0014	0.4271
21-Aug-23	22-Aug-23	0.4262	0.0017	0.4244
20-Jul-23	21-Jul-23	0.4292	0.0017	0.4267
20-Jun-23	21-Jun-23	0.4275	0.0018	0.4251
16-May-23	17-May-23	0.4214	0.0017	0.4187
18-Apr-23	19-Apr-23	0.4203	0.0017	0.4195
16-Mar-23	17-Mar-23	0.4160	0.0018	0.4146
16-Feb-23	17-Feb-23	0.4239	0.0017	0.4211
19-Jan-23	20-Jan-23	0.4279	0.0018	0.4238
20-Dec-22	21-Dec-22	0.4214	0.0017	0.4183
20-Nov-22	21-Nov-22	0.4222	0.0015	0.4192
20-Oct-22	21-Oct-22	0.4161	0.0017	0.4147
20-Sep-22	21-Sep-22	0.4252	0.0015	0.4232
21-Aug-22	22-Aug-22	0.4376	0.0017	0.4341
20-Jul-22	21-Jul-22	0.4235	0.0004	0.4255
20-Jun-22	21-Jun-22	0.4260	0.0017	0.4249
19-May-22	20-May-22	0.4341	0.0017	0.4327
24-Apr-22	25-Apr-22	0.4512	0.0016	0.4487
20-Mar-22	21-Mar-22	0.4541	0.0017	0.4534
20-Feb-22	21-Feb-22	0.4602	0.0017	0.4585
23-Jan-22	24-Jan-22	0.4713	0.0017	0.4686
20-Dec-21	21-Dec-21	0.4709	0.0017	0.4688
18-Nov-21	19-Nov-21	0.4731	0.0014	0.4717

**EUR Hedged-class**

Cum Date	Ex-Date	Cum-distribution (EUR)	Distribution per Unit (EUR)	Ex-distribution (EUR)
21-Oct-24	22-Oct-24	0.4079	0.0019	0.4044
22-Sep-24	23-Sep-24	0.4085	0.0020	0.4062
21-Aug-24	22-Aug-24	0.4021	0.0020	0.4006
21-Jul-24	22-Jul-24	0.3997	0.0017	0.3981
23-Jun-24	24-Jun-24	0.3956	0.0011	0.3942
22-May-24	23-May-24	0.3964	0.0017	0.3948
21-Apr-24	22-Apr-24	0.3912	0.0020	0.3899
21-Mar-24	22-Mar-24	0.3982	0.0020	0.3978
21-Feb-24	22-Feb-24	0.3988	0.0020	0.3964
21-Jan-24	22-Jan-24	0.3974	0.0017	0.3955
20-Dec-23	21-Dec-23	0.4006	0.0017	0.3996

20-Nov-23	21-Nov-23	0.3916	0.0018	0.3906
19-Oct-23	20-Oct-23	0.3857	0.0019	0.3837
19-Sep-23	20-Sep-23	0.3960	0.0013	0.3942
21-Aug-23	22-Aug-23	0.3942	0.0016	0.3925
20-Jul-23	21-Jul-23	0.3966	0.0009	0.3949
20-Jun-23	21-Jun-23	0.3958	0.0016	0.3936
16-May-23	17-May-23	0.3912	0.0016	0.3886
18-Apr-23	19-Apr-23	0.3903	0.0016	0.3896
16-Mar-23	17-Mar-23	0.3875	0.0017	0.3860
16-Feb-23	17-Feb-23	0.3950	0.0016	0.3926
19-Jan-23	20-Jan-23	0.3989	0.0015	0.3953
20-Dec-22	21-Dec-22	0.3935	0.0016	0.3906
20-Nov-22	21-Nov-22	0.3946	0.0015	0.3916
20-Oct-22	21-Oct-22	0.3891	0.0017	0.3877
20-Sep-22	21-Sep-22	0.3986	0.0017	0.3964
21-Aug-22	22-Aug-22	0.4205	0.0017	0.4169
20-Jul-22	21-Jul-22	0.4085	0.0010	0.4100
20-Jun-22	21-Jun-22	0.4118	0.0017	0.4106
19-May-22	20-May-22	0.4204	0.0017	0.4191
24-Apr-22	25-Apr-22	0.4382	0.0017	0.4355
20-Mar-22	21-Mar-22	0.4418	0.0017	0.4410
20-Feb-22	21-Feb-22	0.4466	0.0017	0.4448
23-Jan-22	24-Jan-22	0.4584	0.0017	0.4557
20-Dec-21	21-Dec-21	0.4598	0.0017	0.4577
18-Nov-21	19-Nov-21	0.4610	0.0017	0.4592

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

#### **Income Distribution breakdown**

<b>Class</b>	<b>Ex-Date</b>	<b>Income (sens / cents)</b>	<b>Income (%)</b>	<b>Capital (sens / cents)</b>	<b>Capital (%)</b>
AUD Hedged	2024-10-22	0.2300	100	-	-
AUD Hedged	2024-09-23	0.2300	100	-	-
AUD Hedged	2024-08-22	0.2300	100	-	-
AUD Hedged	2024-07-22	0.2300	100	-	-
AUD Hedged	2024-06-24	0.2300	100	-	-
AUD Hedged	2024-05-23	0.2330	100	-	-
AUD Hedged	2024-04-22	0.2320	100	-	-
AUD Hedged	2024-03-22	0.2330	100	-	-
AUD Hedged	2024-02-22	0.2340	100	-	-
AUD Hedged	2024-01-22	0.1500	100	-	-
AUD Hedged	2023-12-21	0.1990	100	-	-
AUD Hedged	2023-11-21	0.2060	100	-	-
AUD Hedged	2023-10-20	0.2110	100	-	-
AUD Hedged	2023-09-20	0.1560	100	-	-
AUD Hedged	2023-08-22	0.1830	100	-	-
AUD Hedged	2023-07-21	0.1890	100	-	-
AUD Hedged	2023-06-21	0.1910	100	-	-
AUD Hedged	2023-05-17	0.1890	100	-	-
AUD Hedged	2023-04-19	0.1910	100	-	-

AUD Hedged	2023-03-17	0.1900	100	-	-
AUD Hedged	2023-02-17	0.1700	100	-	-
AUD Hedged	2023-01-20	0.2000	100	-	-
AUD Hedged	2022-12-21	0.1700	100	-	-
AUD Hedged	2022-11-21	0.1700	100	-	-
AUD Hedged	2022-10-21	0.1700	100	-	-
AUD Hedged	2022-09-21	0.1100	100	-	-
AUD Hedged	2022-08-22	0.1700	100	-	-
AUD Hedged	2022-07-21	0.1200	100	-	-
AUD Hedged	2022-06-21	0.1700	100	-	-
AUD Hedged	2022-05-20	0.1700	100	-	-
AUD Hedged	2022-04-25	0.1700	100	-	-
AUD Hedged	2022-03-21	0.1700	100	-	-
AUD Hedged	2022-02-21	0.1700	100	-	-
AUD Hedged	2022-01-24	0.1700	100	-	-
AUD Hedged	2021-12-21	0.1700	100	-	-
AUD Hedged	2021-11-19	0.1700	100	-	-
EUR Hedged	2024-10-22	0.1900	100	-	-
EUR Hedged	2024-09-23	0.2000	100	-	-
EUR Hedged	2024-08-22	0.2000	100	-	-
EUR Hedged	2024-07-22	0.1700	100	-	-
EUR Hedged	2024-06-24	0.1100	100	-	-
EUR Hedged	2024-05-23	0.1650	100	-	-
EUR Hedged	2024-04-22	0.2000	100	-	-
EUR Hedged	2024-03-22	0.2010	100	-	-
EUR Hedged	2024-02-22	0.2010	100	-	-
EUR Hedged	2024-01-22	0.1700	100	-	-
EUR Hedged	2023-12-21	0.1720	100	-	-
EUR Hedged	2023-11-21	0.1790	100	-	-
EUR Hedged	2023-10-20	0.1850	100	-	-
EUR Hedged	2023-09-20	0.1320	100	-	-
EUR Hedged	2023-08-22	0.1560	100	-	-
EUR Hedged	2023-07-21	0.0930	100	-	-
EUR Hedged	2023-06-21	0.1640	100	-	-
EUR Hedged	2023-05-17	0.1570	100	-	-
EUR Hedged	2023-04-19	0.1600	100	-	-
EUR Hedged	2023-03-17	0.1650	100	-	-
EUR Hedged	2023-02-17	0.1600	100	-	-
EUR Hedged	2023-01-20	0.1500	100	-	-
EUR Hedged	2022-12-21	0.1600	100	-	-
EUR Hedged	2022-11-21	0.1500	100	-	-
EUR Hedged	2022-10-21	0.1700	100	-	-
EUR Hedged	2022-09-21	0.1700	100	-	-
EUR Hedged	2022-08-22	0.1700	100	-	-

EUR Hedged	2022-07-21	0.1000	100	-	-
EUR Hedged	2022-06-21	0.1700	100	-	-
EUR Hedged	2022-05-20	0.1700	100	-	-
EUR Hedged	2022-04-25	0.1700	100	-	-
EUR Hedged	2022-03-21	0.1700	100	-	-
EUR Hedged	2022-02-21	0.1700	100	-	-
EUR Hedged	2022-01-24	0.1700	100	-	-
EUR Hedged	2021-12-21	0.1700	100	-	-
EUR Hedged	2021-11-19	0.1700	100	-	-
GBP Hedged	2024-10-22	0.2100	100	-	-
GBP Hedged	2024-09-23	0.2100	100	-	-
GBP Hedged	2024-08-22	0.2200	100	-	-
GBP Hedged	2024-07-22	0.1900	100	-	-
GBP Hedged	2024-06-24	0.1900	100	-	-
GBP Hedged	2024-05-23	0.1700	100	-	-
GBP Hedged	2024-04-22	0.1850	100	-	-
GBP Hedged	2024-03-22	0.1850	100	-	-
GBP Hedged	2024-02-22	0.1930	100	-	-
GBP Hedged	2024-01-22	0.1900	100	-	-
GBP Hedged	2023-12-21	0.1860	100	-	-
GBP Hedged	2023-11-21	0.1950	100	-	-
GBP Hedged	2023-10-20	0.2030	100	-	-
GBP Hedged	2023-09-20	0.1430	100	-	-
GBP Hedged	2023-08-22	0.1680	100	-	-
GBP Hedged	2023-07-21	0.1690	100	-	-
GBP Hedged	2023-06-21	0.1770	100	-	-
GBP Hedged	2023-05-17	0.1690	100	-	-
GBP Hedged	2023-04-19	0.1710	100	-	-
GBP Hedged	2023-03-17	0.1750	100	-	-
GBP Hedged	2023-02-17	0.1700	100	-	-
GBP Hedged	2023-01-20	0.1800	100	-	-
GBP Hedged	2022-12-21	0.1700	100	-	-
GBP Hedged	2022-11-21	0.1500	100	-	-
GBP Hedged	2022-10-21	0.1700	100	-	-
GBP Hedged	2022-09-21	0.1500	100	-	-
GBP Hedged	2022-08-22	0.1700	100	-	-
GBP Hedged	2022-07-21	0.0400	100	-	-
GBP Hedged	2022-06-21	0.1700	100	-	-
GBP Hedged	2022-05-20	0.1700	100	-	-
GBP Hedged	2022-04-25	0.1600	100	-	-
GBP Hedged	2022-03-21	0.1700	100	-	-
GBP Hedged	2022-02-21	0.1700	100	-	-
GBP Hedged	2022-01-24	0.1700	100	-	-
GBP Hedged	2021-12-21	0.1700	100	-	-

GBP Hedged	2021-11-19	0.1400	100	-	-
MYR	2024-10-22	0.2200	100	-	-
MYR	2024-09-23	0.2200	100	-	-
MYR	2024-08-22	0.2300	100	-	-
MYR	2024-07-22	0.2400	100	-	-
MYR	2024-06-24	0.1750	100	-	-
MYR	2024-05-23	0.2200	100	-	-
MYR	2024-04-22	0.2000	100	-	-
MYR	2024-03-22	0.2490	100	-	-
MYR	2024-02-22	0.2510	100	-	-
MYR	2024-01-22	0.2000	100	-	-
MYR	2023-12-21	0.1770	100	-	-
MYR	2023-11-21	0.2210	100	-	-
MYR	2023-10-20	0.2270	100	-	-
MYR	2023-09-20	0.1650	100	-	-
MYR	2023-08-22	0.1950	100	-	-
MYR	2023-07-21	0.1950	100	-	-
MYR	2023-06-21	0.1960	100	-	-
MYR	2023-05-17	0.1870	100	-	-
MYR	2023-04-19	0.1860	100	-	-
MYR	2023-03-17	0.1900	100	-	-
MYR	2023-02-17	0.1700	100	-	-
MYR	2023-01-20	0.2200	100	-	-
MYR	2022-12-21	0.1700	100	-	-
MYR	2022-11-21	0.1700	100	-	-
MYR	2022-10-21	0.1700	100	-	-
MYR	2022-09-21	0.1700	100	-	-
MYR	2022-08-22	0.1700	100	-	-
MYR	2022-07-21	0.0100	100	-	-
MYR	2022-06-21	0.1700	100	-	-
MYR	2022-05-20	0.0600	100	-	-
MYR	2022-04-25	0.1500	100	-	-
MYR	2022-03-21	0.1600	100	-	-
MYR	2022-02-21	0.1600	100	-	-
MYR	2022-01-24	0.1700	100	-	-
MYR	2021-12-21	0.1700	100	-	-
MYR	2021-11-19	0.1400	100	-	-
MYR Hedged	2024-10-22	0.2400	100	-	-
MYR Hedged	2024-09-23	0.2400	100	-	-
MYR Hedged	2024-08-22	0.1900	100	-	-
MYR Hedged	2024-07-22	0.2200	100	-	-
MYR Hedged	2024-06-24	0.2100	100	-	-
MYR Hedged	2024-05-23	0.2100	100	-	-
MYR Hedged	2024-04-22	0.2100	100	-	-

MYR Hedged	2024-03-22	0.2100	100	-	-
MYR Hedged	2024-02-22	0.2100	100	-	-
MYR Hedged	2024-01-22	0.2100	100	-	-
MYR Hedged	2023-12-21	0.2080	100	-	-
MYR Hedged	2023-11-21	0.2210	100	-	-
MYR Hedged	2023-10-20	0.2530	100	-	-
MYR Hedged	2023-09-20	0.2050	100	-	-
MYR Hedged	2023-08-22	0.2050	100	-	-
MYR Hedged	2023-07-21	0.2050	100	-	-
MYR Hedged	2023-06-21	0.2040	100	-	-
MYR Hedged	2023-05-17	0.2030	100	-	-
MYR Hedged	2023-04-19	0.2040	100	-	-
MYR Hedged	2023-03-17	0.2050	100	-	-
MYR Hedged	2023-02-17	0.1700	100	-	-
MYR Hedged	2023-01-20	0.2100	100	-	-
MYR Hedged	2022-12-21	0.1700	100	-	-
MYR Hedged	2022-11-21	0.1800	100	-	-
MYR Hedged	2022-10-21	0.1700	100	-	-
MYR Hedged	2022-09-21	0.1700	100	-	-
MYR Hedged	2022-08-22	0.1700	100	-	-
MYR Hedged	2022-07-21	0.1700	100	-	-
MYR Hedged	2022-06-21	0.1700	100	-	-
MYR Hedged	2022-05-20	0.1700	100	-	-
MYR Hedged	2022-04-25	0.1700	100	-	-
MYR Hedged	2022-03-21	0.1700	100	-	-
MYR Hedged	2022-02-21	0.1700	100	-	-
MYR Hedged	2022-01-24	0.1700	100	-	-
MYR Hedged	2021-12-21	0.1700	100	-	-
MYR Hedged	2021-11-19	0.1700	100	-	-
SGD Hedged	2024-10-22	0.2000	100	-	-
SGD Hedged	2024-09-23	0.2100	100	-	-
SGD Hedged	2024-08-22	0.2200	100	-	-
SGD Hedged	2024-07-22	0.1900	100	-	-
SGD Hedged	2024-06-24	0.1200	100	-	-
SGD Hedged	2024-05-23	0.1800	100	-	-
SGD Hedged	2024-04-22	0.1830	100	-	-
SGD Hedged	2024-03-22	0.2170	100	-	-
SGD Hedged	2024-02-22	0.2180	100	-	-
SGD Hedged	2024-01-22	0.1800	100	-	-
SGD Hedged	2023-12-21	0.1850	100	-	-
SGD Hedged	2023-11-21	0.1940	100	-	-
SGD Hedged	2023-10-20	0.2200	100	-	-
SGD Hedged	2023-09-20	0.1040	100	-	-
SGD Hedged	2023-08-22	0.1710	100	-	-

SGD Hedged	2023-07-21	0.1660	100	-	-
SGD Hedged	2023-06-21	0.1780	100	-	-
SGD Hedged	2023-05-17	0.1710	100	-	-
SGD Hedged	2023-04-19	0.1720	100	-	-
SGD Hedged	2023-03-17	0.1770	100	-	-
SGD Hedged	2023-02-17	0.1700	100	-	-
SGD Hedged	2023-01-20	0.1600	100	-	-
SGD Hedged	2022-12-21	0.1700	100	-	-
SGD Hedged	2022-11-21	0.1700	100	-	-
SGD Hedged	2022-10-21	0.1700	100	-	-
SGD Hedged	2022-09-21	0.1700	100	-	-
SGD Hedged	2022-08-22	0.1700	100	-	-
SGD Hedged	2022-07-21	0.0400	100	-	-
SGD Hedged	2022-06-21	0.1700	100	-	-
SGD Hedged	2022-05-20	0.1700	100	-	-
SGD Hedged	2022-04-25	0.1500	100	-	-
SGD Hedged	2022-03-21	0.1700	100	-	-
SGD Hedged	2022-02-21	0.1700	100	-	-
SGD Hedged	2022-01-24	0.1200	100	-	-
SGD Hedged	2021-12-21	0.1700	100	-	-
SGD Hedged	2021-11-19	0.1400	100	-	-
USD	2024-10-22	0.1550	100	-	-
USD	2024-09-23	0.1800	100	-	-
USD	2024-08-22	0.2300	100	-	-
USD	2024-07-22	0.2300	100	-	-
USD	2024-06-24	0.2000	100	-	-
USD	2024-05-23	0.2300	100	-	-
USD	2024-04-22	0.2300	100	-	-
USD	2024-03-22	0.2320	100	-	-
USD	2024-02-22	0.2320	100	-	-
USD	2024-01-22	0.1900	100	-	-
USD	2023-12-21	0.1980	100	-	-
USD	2023-11-21	0.2100	100	-	-
USD	2023-10-20	0.2130	100	-	-
USD	2023-09-20	0.1490	100	-	-
USD	2023-08-22	0.1780	100	-	-
USD	2023-07-21	0.1750	100	-	-
USD	2023-06-21	0.1870	100	-	-
USD	2023-05-17	0.1810	100	-	-
USD	2023-04-19	0.1860	100	-	-
USD	2023-03-17	0.1850	100	-	-
USD	2023-02-17	0.1700	100	-	-
USD	2023-01-20	0.1800	100	-	-
USD	2022-12-21	0.1700	100	-	-



USD	2022-11-21	0.1700	100	-	-
USD	2022-10-21	0.1700	100	-	-
USD	2022-09-21	0.1400	100	-	-
USD	2022-08-22	0.1700	100	-	-
USD	2022-07-21	0.0600	100	-	-
USD	2022-06-21	0.1700	100	-	-
USD	2022-05-20	0.1700	100	-	-
USD	2022-04-25	0.1700	100	-	-
USD	2022-03-21	0.1700	100	-	-
USD	2022-02-21	0.1700	100	-	-
USD	2022-01-24	0.1700	100	-	-
USD	2021-12-21	0.1700	100	-	-
USD	2021-11-19	0.1700	100	-	-

### **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 (24/3/17 - 31/10/24)
USD	13.05%	9.90%	16.77%	25.53%
MYR	3.89%	16.18%	22.27%	23.24%
AUD Hedged	11.25%	5.38%	10.04%	18.49%
MYR Hedged	9.90%	4.38%	12.80%	29.13%
SGD Hedged	10.45%	4.75%	9.44%	14.72%

	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 (29/6/17 - 31/10/24)
GBP Hedged	12.33%	8.13%	12.50%	14.70%

	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 (22/2/18 - 31/10/24)
EUR Hedged	10.91%	1.98%	4.43%	1.27%

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 (24/3/17 - 31/10/24)
USD	13.05%	3.19%	3.15%	3.03%
MYR	3.89%	5.12%	4.10%	2.78%
AUD Hedged	11.25%	1.76%	1.93%	2.25%
MYR Hedged	9.90%	1.44%	2.44%	3.41%
SGD Hedged	10.45%	1.56%	1.82%	1.82%

	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 (29/6/17 - 31/10/24)
GBP Hedged	12.33%	2.64%	2.38%	1.88%

	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 (22/2/18 - 31/10/24)
EUR Hedged	10.91%	0.66%	0.87%	0.19%

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)
USD	13.05%	3.95%	(6.48%)	9.50%	(2.97%)
MYR	3.89%	4.74%	6.76%	9.14%	(3.57%)
AUD Hedged	11.25%	2.16%	(7.27%)	8.90%	(4.11%)
MYR Hedged	9.90%	1.24%	(6.19%)	10.67%	(2.35%)
SGD Hedged	10.45%	2.10%	(7.11%)	8.70%	(3.88%)
GBP Hedged	12.33%	3.13%	(6.66%)	8.70%	(4.28%)
EUR Hedged	10.91%	1.53%	(9.43%)	9.02%	(6.08%)

***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

The Fund registered a return of 13.05% for the period under review and 25.53% since commencement. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2024 was USD0.4703 compared to its NAV per unit as at 31 October 2023 was USD0.4394. During the period under review, the Fund has declared a total income distribution of USD0.02517 per unit.

#### MYR Class

The Fund registered a return of 3.89% for the period under review and 23.24% since commencement. The NAV per unit of the Fund as at 31 October 2024 was MYR0.4661 compared to its NAV per unit as at 31 October 2023 was MYR0.4736. During the period under review, the Fund has declared a total income distribution of MYR0.02603 per unit.

#### AUD Hedged-class

The Fund registered a return of 11.25% for the period under review and 18.49% since commencement. The NAV per unit of the Fund as at 31 October 2024 was AUD0.4674 compared to its NAV per unit as at 31 October 2023 was AUD0.4448. During the period under review, the Fund has declared a total income distribution of AUD0.02637 per unit.

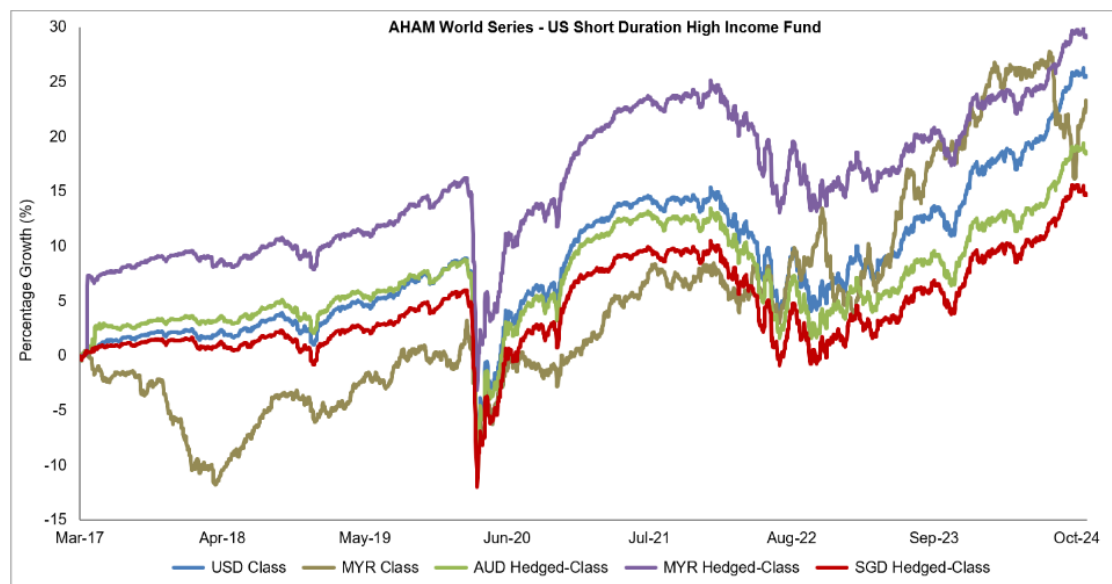
#### MYR Hedged-class

The Fund registered a return of 9.90% for the period under review and 29.13% since commencement. The NAV per unit of the Fund as at 31 October 2024 was MYR0.4949 compared to its NAV per unit as at 31 October 2023 was MYR0.4746. During the period under review, the Fund has declared a total income distribution of MYR0.02579 per unit.

#### SGD Hedged-class

The Fund registered a return of 10.45% for the period under review and 14.72% since commencement. The NAV per unit of the Fund as at 31 October 2024 was SGD0.4338 compared to its NAV per unit as at 31 October 2023 was SGD0.4143. During the period under review, the Fund has declared a total income distribution of SGD0.02297 per unit.

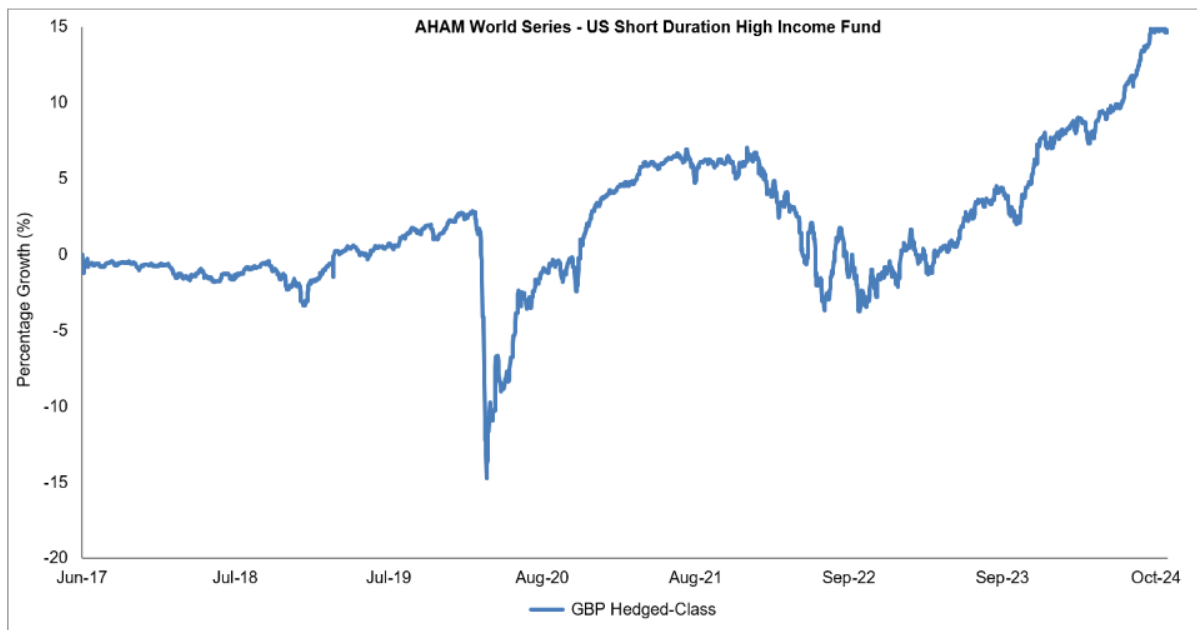
Figure 1: Movement of the Fund since commencement.



### **GBP Hedged-class**

The Fund registered a return of 12.33% for the period under review and 14.70% since commencement. The NAV per unit of the Fund as at 31 October 2024 was GBP0.4431 compared to its NAV per unit as at 31 October 2023 was GBP0.4161. During the period under review, the Fund has declared a total income distribution of GBP0.02324 per unit.

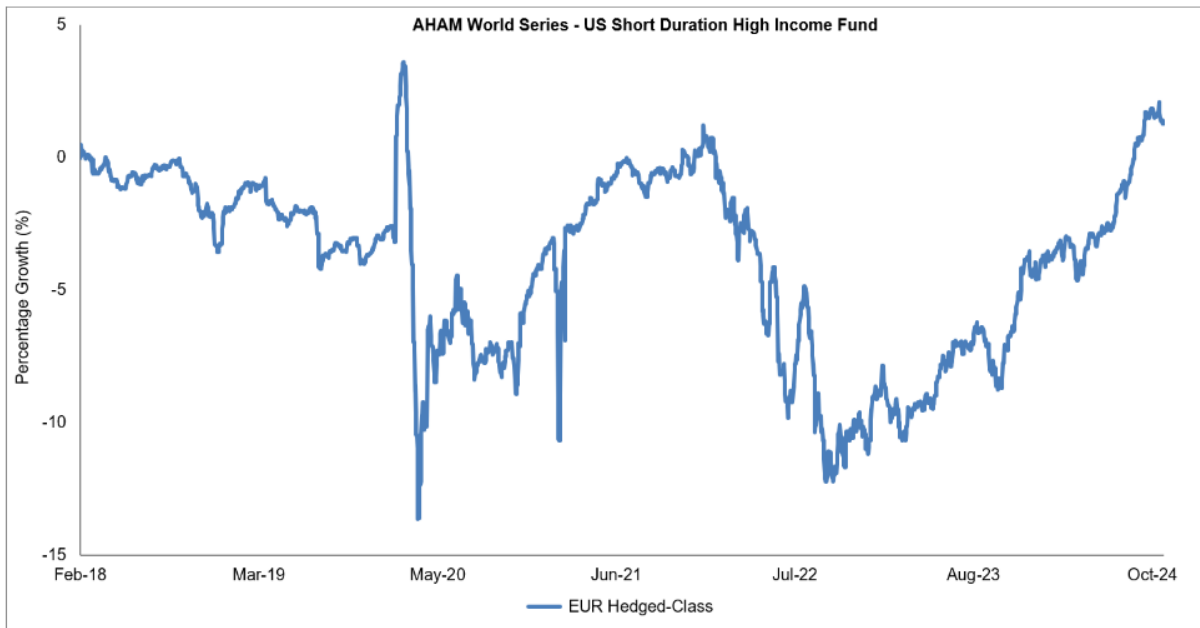
Figure 1: Movement of the Fund since commencement.



## EUR Hedged-class

The Fund registered a return of 10.91% for the period under review and 1.27% since commencement. The NAV per unit of the Fund as at 31 October 2024 was EUR0.4028 compared to its NAV per unit as at 31 October 2023 was EUR0.3834. During the period under review, the Fund has declared a total income distribution of EUR0.02158 per unit.

Figure 1: Movement of the Fund 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. Source of Benchmark is from Bloomberg.”*

*Benchmark: Merrill Lynch 1-3 Years BB-B US Cash Pay High Yield Index*

## **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 asset allocation of the Fund's exposure to the collective investment scheme stood at 94.52% (2023: 94.18%) of the Fund's NAV while the balance was held in cash & cash equivalent.

### **Target Fund's top 10 Holdings as at 31 October 2024**

<b>Holdings</b>	<b>Percentage of Target Fund's NAV (%)</b>
MGM Resorts Intl	2.6
Univision Communications	2.5
CVR Energy Inc	2.5
Wash Multifam Acq Inc	2.3
Vistajet Malta/VM Holdings	2.2
Mobius Merger Sub	2.1
Amerigas Part/Finance Corp	2.0
Global Air Lease Co Ltd	2.0
Buckeye Partners LP	1.9
LD Holdings Group LLC	1.8
<b>Total</b>	<b>21.9</b>

### **Target Fund's top 10 Holdings as at 31 October 2023**

<b>Holdings</b>	<b>Percentage of Target Fund's NAV (%)</b>
Venture Global LNG Inc	3.4
Univision Communications Inc	2.9
New Fortress Energy Inc	2.6
Goodyear Tire & Rubber	2.3
Albion Financing 2 SARL	2.3
Bread Financial Holdings, Inc	2.3
Uber Technologies Inc	2.3
Mileage Plus Holdings LLC	2.3
Dish DBS Corporation	2.1
AmeriGas Finance Corp	2.1
<b>Total</b>	<b>24.6</b>

## **Strategies Employed**

The strategy is a fixed income solution with an emphasis on capital preservation, followed by liquidity and positive total return by capitalizing on the structural inefficiencies at the front-end of the United States ("U.S.") non-investment grade credit market. The strategy combines rigorous, fundamental credit research with a very tight trading discipline to avoid a permanent loss of principal, minimize downside volatility and provide a consistent level of income. The investment team undertakes its own independent research and analysis. This continual focus on in-depth industry and bottom-up credit analysis produces the most compelling risk-adjusted investment opportunities for the strategy.

## **Market Review**

Over the financial year under review, global equity markets faced a mixed year, marked by heightened volatility driven by geopolitical uncertainties, monetary policy shifts, and investor caution ahead of the U.S. presidential election. U.S. equities, represented by the S&P 500, ended the financial year relatively muted, slipping 1.0% as investors stayed on the sidelines awaiting election clarity. Betting markets reflected a rising probability of a Trump victory, along with a Republican sweep in Congress and the Senate, potentially signaling more reflationary policies and increased fiscal spending.

Economic indicators showed resilience, with the U.S. Composite Purchasing Managers' Index ("PMI") rising to 54.3 in October, while consumer sentiment reached a six-month high, reflected in the University of Michigan's sentiment index climbing to 70.5. These factors contributed to a sustained selloff in U.S. Treasuries, with the 10-year yield reaching 4.27% by October. Market participants closely monitored key events, including the Federal Reserve's policy stance and labor market data, while pricing in the potential implications of the election results.

Central banks globally adopted divergent approaches to monetary policy. The People's Bank of China ("PBOC") and the Bank of Canada each cut rates by 50 basis points during the financial year, in line with market expectations, signaling accommodative stances. In contrast, the Federal Reserve maintained a hawkish bias, contributing to tighter financial conditions. In Asia, equity markets struggled amid the uncertainty. The MSCI Asia ex-Japan index fell 1.8% in October as sentiment soured due to election risks and concerns over global growth. The construction sector in Malaysia provided a bright spot, led by Gamuda's strong performance following significant contract wins, including a major MRT project and the Sabah hydropower plant. By year-end, Gamuda's order book had expanded significantly, with management targeting further growth in 2025. Conversely, the utilities sector faced headwinds, with YTL Power underperforming due to weaker sentiment.

The Asian credit market exhibited resilience despite a selloff in U.S. Treasuries, with spreads tightening for both investment-grade ("IG") and high-yield ("HY") bonds. Primary issuances slowed ahead of the U.S. election, but secondary market activity remained robust. Notable portfolio actions included participation in Australian dollar-denominated issuances by EnBW and Melbourne Airport, which received strong investor demand. Malaysia's fixed income market faced pressure from rising U.S. Treasury yields, prompting foreign outflows and a selloff across the curve. The 3-year Malaysia Government Securities ("MGS") yield rose by 9 bps to 3.55%, while the 10-year yield increased by 8 bps to 3.87%. Demand at the long end of the curve provided some stability, with a successful auction of 20-year Government Investment Issues ("GII") achieving a bid-to-cover ratio of 2 times.

Throughout the year, portfolio strategies emphasized defensive positioning amid rising yields and political uncertainties. Select profit-taking on high-performing bonds and trimming of tight-spread issues, such as Standard Chartered's SGD-denominated Additional Tier 1 ("AT1") bond, characterized the approach. Onshore demand supported the long end of the Malaysian curve, but the overall strategy remained cautious. Looking ahead, markets are expected to remain volatile as the U.S. election results and Federal Reserve policy continue to shape the investment landscape. While opportunities exist in sectors like technology and construction, the broader sentiment is likely to remain subdued in the near term.

## **Investment Outlook**

The outlook for global equities remains cautiously optimistic, tempered by lingering uncertainties around the U.S. presidential election and its potential implications for fiscal policy. A Trump victory may pave the way for reflationary policies and increased fiscal spending, which could support growth-oriented sectors such as infrastructure, construction, and defense. Conversely, a win by Harris may lead to market stabilization, with less aggressive fiscal policy measures and potentially reduced market volatility.

Domestically, the Malaysian equity market has shown resilience in the construction sector, led by Gamuda's robust contract wins and expanding order book. This provides a positive outlook for infrastructure-related stocks, particularly as government spending on development projects continues to gain momentum. However, headwinds remain for the utilities sector, underscored by YTL Power's recent underperformance. Investors are likely to adopt a sector-specific approach, favoring sectors poised for growth while maintaining a cautious stance on those with weaker fundamentals.

Sub-trend growth remains our base case with significantly looser financial conditions continuing to support growth. Although there are signs that the labor market continues to rebalance and longer-term disinflationary trends are in place, there is still a risk that inflation remains persistent. Both the market and the Fed will continue to be focused on the inflation trajectory this year in addition to labor market data.

Given this backdrop, the Fund is focused on maintaining a higher credit quality, increasing its liquidity profile and allocating towards sectors where we continue to have a positive fundamental outlook and that, in our view, offer attractive yield characteristics for the potential risks. We believe the Fund's current duration positioning

and diversified allocations to higher quality securitized investments, higher quality high yield corporates, and select emerging market debt look attractive amidst the current environment.

### **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 financial 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**

In general, the amendments are made in the Information Memorandum dated **15 December 2023** to reflect the following, but is not limited to:

1. Change in the shareholding of AHAM, which took effect on 29 July 2022. AHAM Asset Management Berhad (“AHAM”) ceased to be a subsidiary of Affin Hwang Investment Bank and the Affin Banking Group. AHAM’s ultimate major shareholders now, is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners;
2. Requirements of Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (Revised: 29 August 2023);
3. Amendments made to the Deed, which was lodged with the Securities Commission Malaysia
4. Change in the name of the Manager;
5. Change in the name of the Fund;
6. Update in Income Distribution Policy;
7. Update in the Performance Benchmark;
8. Change to the asset allocation of the Fund to remove cash;
9. To streamline the processes and procedures for the Fund such as repurchase proceeds payout period, cooling-off right and suspension of dealing in units.
10. Updates in sections pertaining to the Target Fund Manager’s information; and
11. Updates to the risks of the Fund and risks related to the Target Fund for better clarity purpose.

Kindly refer next page for the summary of changes made to the Fund.



### 1) Change in the name of the Manager

Prior Disclosure	Revised Disclosure
Affin Hwang Asset Management Berhad	AHAM Asset Management Berhad

### 2) Change in the name of the Fund

Prior Disclosure	Revised Disclosure
Affin Hwang World Series – US Short Duration High Income Fund	AHAM World Series – US Short Duration High Income Fund (Formerly known as Affin Hwang World Series – US Short Duration High Income Fund)

### 3) Update in Glossary Definition

Prior Disclosure	Revised Disclosure
<p><b>Business Day</b> Means a day on which Bursa Malaysia is open for trading. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as (i) in the event of market disruption; (ii) if the jurisdiction of the Target Fund declares that day as a non-business day; and/or (iii) if the Management Company declares that day as a non-valuation day for the Target Fund.</p> <p><b>Deed</b> Refers to the deed dated 4 January 2017, supplemental deed dated 7 December 2017 and second supplemental deed dated 26 January 2018 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.</p> <p><b>Sophisticated Investor</b> Refers to any person who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act. Note: For more information, please refer to our website at <a href="https://affinhwangam.com/">https://affinhwangam.com/</a> for the current excerpts of Part 1, Schedules 6 and 7 of the Act.</p>	<p><b>Business Day</b> Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as (i) in the event of market disruption; (ii) if the jurisdiction of the Target Fund declares that day as a non-business day; and/or (iii) if that day is declared as a non-dealing day for the Target Fund.</p> <p><b>Deed</b> Refers to the deed dated 4 January 2017, the supplemental deed dated 7 December 2017, the second supplemental deed dated 26 January 2018 and the third supplemental deed dated 16 November 2023 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.</p> <p><b>Sophisticated Investor</b> Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; (b) who acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other person as may be determined by the SC from time to time under the Guidelines. Note: For more information, please refer to our website at <a href="http://www.aham.com.my">www.aham.com.my</a> for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.</p>

#### 4) Update in Distribution Policy

Prior Disclosure		Revised Disclosure											
<p><b>DISTRIBUTION POLICY</b> Subject to the availability of income, the Fund endeavours to distribute income for the respective Classes in the following manner, after the end of its first financial year:</p> <table border="1"> <thead> <tr> <th>Class(es)</th> <th>Income Distribution Policy</th> </tr> </thead> <tbody> <tr> <td>USD Class</td> <td rowspan="2">Monthly basis</td> </tr> <tr> <td>MYR Class</td> </tr> <tr> <td>MYR Hedged-class</td> <td rowspan="5">Quarterly basis</td> </tr> <tr> <td>SGD Hedged-class</td> </tr> <tr> <td>AUD Hedged-class</td> </tr> <tr> <td>GBP Hedged-class</td> </tr> <tr> <td>EUR Hedged-class</td> </tr> </tbody> </table>		Class(es)	Income Distribution Policy	USD Class	Monthly basis	MYR Class	MYR Hedged-class	Quarterly basis	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	<p><b>DISTRIBUTION POLICY</b> Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis.</p>
Class(es)	Income Distribution Policy												
USD Class	Monthly basis												
MYR Class													
MYR Hedged-class	Quarterly basis												
SGD Hedged-class													
AUD Hedged-class													
GBP Hedged-class													
EUR Hedged-class													

#### 5) Update in Performance Benchmark

Prior Disclosure	Revised Disclosure
<p><b>Performance Benchmark</b> Merrill Lynch 1-3 Years BB-B US Cash Pay High Yield Index <i>The risk profile of the Fund is different from the risk profile of the benchmark.</i></p>	<N/A>

#### 6) Update in Asset Allocation

Prior Disclosure	Revised Disclosure
<ul style="list-style-type: none"> <li>➢ A minimum of 80% of the Fund's NAV to be invested in the Target Fund; and</li> <li>➢ A maximum of 20% of the Fund's NAV to be invested in money market instruments, Deposits with Financial Institutions and/or liquid assets.</li> </ul>	<ul style="list-style-type: none"> <li>➢ A minimum of 80% of the Fund's NAV to be invested in the Target Fund; and</li> <li>➢ A maximum of 20% of the Fund's NAV to be invested in money market instruments and/or deposits.</li> </ul>

#### 7) Update in Investment strategy

Prior Disclosure	Revised Disclosure
<p><b>INVESTMENT STRATEGY</b> The Fund will be investing a minimum of 80% of the Fund's NAV into the Target Fund and a maximum of 20% of the Fund's NAV into money market instruments, Deposits with Financial Institutions and/or liquid assets. The Fund may also have the flexibility to invest in non US-related money market instruments, Deposits and/or liquid assets. We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investment into the Target Fund and raise liquidity levels of the Fund during adverse market conditions to protect the Unit Holders' interest. In raising the Fund's liquidity</p>	<p><b>INVESTMENT STRATEGY</b> The Fund will be investing a minimum of 80% of the Fund's NAV in the Target Fund and a maximum of 20% of the Fund's NAV in money market instruments and/or deposits.  We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation by reducing its investment in the Target Fund and raise the liquidity levels of the Fund during adverse market conditions that may impact financial markets to protect the Unit Holders' interest. In raising the Fund's liquidity</p>

Prior Disclosure	Revised Disclosure
<p>levels, we may also invest into collective investment schemes that are able to meet this objective.</p> <p>We may substitute the Target Fund with another fund that has a similar objective with the Fund, if, in our opinion, the Target Fund no longer meets the Fund's investment objective. However, this is subject to the Unit Holder's approval before any such changes are made.</p> <p>We may use derivatives, such as foreign exchange forward contracts and cross currency swaps, mainly for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the foreign currency exposure of any of the Class(es) against the Base Currency of the Fund. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements on the Fund's NAV, irrespective of the currency classes. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency, and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forwards and swaps which are over-the-counter or traded on centralized exchanges.</p>	<p>levels, we may also invest in collective investment schemes that are able to meet the Fund's objective.</p> <p>We may substitute the Target Fund with another fund that has a similar objective with the Fund, if, in our opinion, the Target Fund no longer meets the Fund's investment objective. However, this is subject to the Unit Holder's approval before such change is made.</p> <p><b>Derivatives</b>  Derivatives trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date whereas swaps is an agreement to swap or exchange two financial instruments between two parties.</p> <p>The intention of hedging is to preserve the value of the assets from any adverse price movements. While the hedging transactions will assist in mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.</p> <p>The Fund adopts commitment approach to measure the Fund's global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund's global exposure from the derivatives position.</p>

## 8) Update in Disclosure of Valuation of Assets

Prior Disclosure	Revised Disclosure
<p><b>Unlisted Collective Investment Schemes</b> Investments in unlisted collective investment schemes shall be valued based on the last published repurchase price.</p> <p><b>Deposits</b> Valuation of Deposits placed with Financial Institutions will be done by reference to the principal value of the Deposits and the interests accrued thereon for the relevant period.</p> <p><b>Money Market Instruments</b> The valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by independent and reputable institutions.</p> <p><b>Derivatives</b> The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by Bloomberg or Reuters. If the rates are not available on Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance with a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>	<p><b>Unlisted Collective Investment Schemes</b> Valuation of investments in unlisted collective investment schemes shall be based on the last published repurchase price.</p> <p><b>Deposits</b> Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the interests accrued thereon for the relevant period.</p> <p><b>Money Market Instruments</b> Valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency (“BPA”) registered with the SC. For non-MYR denominated money market instruments, valuation will be done using the average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.</p> <p><b>Derivatives</b> Valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by Bloomberg or Refinitiv. If the rates are not available on Bloomberg or Refinitiv, the FX Forwards will be valued based on a fair value as determined in good faith by the Manager, using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>

9) Update about the Classes of the Fund

Prior Disclosure				Revised Disclosure				
<b>About the classes</b>				<b>About the classes</b>				
Classes	Minimum Initial Investment*	Minimum Additional Investment*	Minimum Units Per Switch*	Classes	Minimum Initial Investment*	Minimum Additional Investment*	Minimum Repurchase Unit*	Minimum Units Per Switch*
USD Class	USD 5,000	USD 1,000	10,000 Units	USD Class	USD 10,000	USD 5,000	10,000 Units	20,000 Units
MYR Class	MYR 10,000	MYR 5,000	2,000 Units	MYR Class	MYR 30,000	MYR 10,000	10,000 Units	60,000 Units
MYR Hedged-class	MYR 10,000	MYR 5,000	2,000 Units	MYR Hedged-class	MYR 30,000	MYR 10,000	10,000 Units	60,000 Units
SGD Hedged-class	SGD 5,000	SGD 1,000	10,000 Units	SGD Hedged-class	SGD 10,000	SGD 5,000	10,000 Units	20,000 Units
AUD Hedged-class	AUD 5,000	AUD 1,000	10,000 Units	AUD Hedged-class	AUD 10,000	AUD 5,000	10,000 Units	20,000 Units
GBP Hedged-class	GBP 5,000	GBP 1,000	10,000 Units	GBP Hedged-class	GBP 10,000	GBP 5,000	10,000 Units	20,000 Units
EUR Hedged-class	EUR 5,000	EUR 1,000	10,000 Units	EUR Hedged-class	EUR 10,000	EUR 5,000	10,000 Units	20,000 Units
<p>* Subject to the Manager's discretion, you may negotiate for a lower amount or value.</p> <p><b>The Fund may create new Classes and/or new Hedged-classes in respect of the Fund without having to seek Unit Holders' prior approval. You will be notified of the issuance of the new Classes and/or new Hedged-classes by way of communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement information memorandum.</b></p>				<p>* At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to terms and conditions disclosed in the respective channels.</p> <p><b>The Fund may create new Classes without having to seek Unit Holders' prior approval. You will be notified of the issuance of the new Classes by way of Communiqué and the investors will be notified of the same by way of a supplemental or replacement information memorandum.</b></p>				

10) Update about the Fees and Charges

Prior Disclosure	Revised Disclosure
<p><b>ADMINISTRATIVE FEE</b></p> <p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each Class of Units may be charged to the Fund or each Class of Units respectively. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>➤ commissions or fees paid to brokers in effecting dealings in the investments of</li> </ul>	<p><b>ADMINISTRATIVE FEE</b></p> <p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each Class may be charged to the Fund or each Class respectively. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>➤ commissions or fees paid to brokers in effecting dealings in the investments of the</li> </ul>

Prior Disclosure	Revised Disclosure
<p>the Fund, shown on the contract notes or confirmation notes;</p> <ul style="list-style-type: none"> <li>➤ costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;</li> <li>➤ taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>➤ costs, fees and expenses properly incurred by the auditor appointed for the Fund;</li> <li>➤ costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;</li> <li>➤ costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or the Trustee;</li> <li>➤ costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;</li> <li>➤ costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;</li> <li>➤ costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;</li> <li>➤ costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;</li> <li>➤ costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;</li> <li>➤ costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;</li> <li>➤ costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);</li> <li>➤ remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;</li> <li>➤ costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or introduction of any law, regulation or requirement</li> </ul>	<p>Fund, shown on the contract notes or confirmation notes;</p> <ul style="list-style-type: none"> <li>➤ costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;</li> <li>➤ taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>➤ costs, fees and expenses properly incurred by the auditor appointed for the Fund;</li> <li>➤ costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;</li> <li>➤ costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;</li> <li>➤ costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;</li> <li>➤ costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;</li> <li>➤ costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;</li> <li>➤ costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;</li> <li>➤ costs, fees and expenses incurred in the termination of the Fund or a Class or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;</li> <li>➤ costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund or commenced by either of them for the benefit of the Fund or a Class (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);</li> <li>➤ costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;</li> <li>➤ costs and expenses incurred in relation to the distribution of income (if any);</li> <li>➤ (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</li> <li>➤ fees, charges, costs and expenses relating to the preparation, printing, posting, registration</li> </ul>

Prior Disclosure	Revised Disclosure
<p>(whether or not having the force of law) of any governmental or regulatory authority;</p> <ul style="list-style-type: none"> <li>➤ costs and expenses incurred in relation to the distribution of income (if any);</li> <li>➤ (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</li> <li>➤ fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and</li> <li>➤ any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as mentioned above.</li> </ul>	<p>and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant laws; and</p> <ul style="list-style-type: none"> <li>➤ any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as mentioned above.</li> </ul>

#### 11) Update about the Target Fund

Prior Disclosure	Revised Disclosure
<p><b>MANAGEMENT COMPANY (“the Management Company”)</b> The Company has appointed Allianz Global Investors GmbH to act as its management company.</p> <p>The Management Company has been managing collective investment schemes and discretionary funds since 1956. The Management Company is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), the German securities supervisory authority. The Management Company is part of Allianz Global Investors.</p> <p>Allianz Global Investors is a diversified active investment manager with total assets under management over EUR 535 billion as of 31 March 2019. Its teams can be found in 25 locations in 18 countries, with a strong presence in the US, Europe and Asia-Pacific. With around 730 investment professionals and an integrated investment platform, it covers all major business centers and growth markets. Allianz Global Investors’ global capabilities are delivered through local teams to ensure best- in-class service.</p> <p>The Management Company may delegate certain services and functions to external service providers as described in the Target Fund Prospectus and the Luxembourg prospectus. In particular, you should note that the Management Company has, at its own expense, and while retaining its own responsibility, control and coordination of the acts and omission of</p>	<p><b>MANAGEMENT COMPANY (“the Management Company”)</b> The Company has appointed Allianz Global Investors GmbH to act as its management company within the meaning of the Law.</p> <p>The Management Company is responsible, subject to the supervision of the directors of the Company, for the provision of investment management services, administrative services and marketing services to the Company.</p> <p>The Management Company is an investment management company within the meaning of the German Investment Code and was incorporated as a limited liability company (Gesellschaft mit beschränkter Haftung) under the laws of the Federal Republic of Germany in 1955.</p> <p>The Management Company may delegate certain services in connection with currency and duration monitoring as well as trading to third parties.</p>

Prior Disclosure	Revised Disclosure
<p>any such delegates, delegated the fund management in respect of the Target Fund to the Investment Manager for the purpose of efficient management.</p>	
<p><b>ALLIANZ GLOBAL INVESTORS U.S. LLC (“the Investment Manager”)</b>  The Investment Manager is appointed by the Company. Investment Manager is part of Allianz Global Investors and is domiciled in US. The Investment Manager is regulated by the US Securities and Exchange Commission. The Investment Manager has four offices, one at 600 West Broadway, 31st Floor, US-San Diego, CA92101, US. The Investment Manager has been managing collective investment schemes and discretionary funds out of its San Diego office since the office’s establishment in 2010. The other office is located at 555 Mission Street, Suite 1700, US-San Francisco, CA94105, US. The San Francisco office of the Investment Manager was originally established in 1970 as Rosenberg Capital Management and has been managing collective investment schemes and discretionary funds since its establishment. The third office is located at 2100 Ross Avenue, Suite 700 US-Dallas, TX 75201. This office was originally established as NFJ Investment Group LLC and has been managing collective investment schemes and discretionary funds since its establishment in 1989. The fourth office is located at 125 High Street, US-Boston, MA 02110. This office was established in 2018, and manages collective investment schemes and discretionary funds.</p>	<p><b>VOYA INVESTMENT MANAGEMENT CO. LLC (“the Investment Manager”)</b>  The Investment Manager is appointed by the Management Company to carry out the investment management function. The Investment Manager is a limited liability company domiciled in US with its principal place of business at 230 Park Avenue, New York, NY 10169, United States.</p> <p>The Investment Manager is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, and is authorised to provide investment management services, regulated by the United States Securities and Exchange Commission.</p> <p>The Investment Manager has been managing collective investment schemes and discretionary funds since 1972.</p> <p>The Investment Manager will manage the day-to-day business of the portfolio (under the supervision, control and responsibility of the Management Company) and provide other related services in accordance with the terms of the Target Fund Prospectus, the articles of incorporation of the Company dated 9 August 1999, as may be amended from time to time and the applicable laws.</p>
<p><b>INVESTMENT OBJECTIVE</b>  The investment objective of the Target Fund is to achieve long-term income and lower volatility by investing in short duration high yield rated corporate Debt Securities of US Bond Markets.</p>	<p><b>INVESTMENT OBJECTIVE</b>  The investment objective of the Target Fund is to achieve long-term income and lower volatility by investing in short duration high yield rated corporate Debt Securities of US Bond Markets in accordance with the Sustainability Key Performance Indicator (“KPI”) Strategy (Absolute) (“KPI Strategy (Absolute)”). In this context, the aim is, at least, a year-on-year improvement pathway on the Target Fund’s weighted average Sustainability KPI to achieve the investment objective.</p>
<p><b>INVESTMENT RESTRICTIONS</b></p> <ul style="list-style-type: none"> <li>(a) Minimum 70% of the Target Fund’s assets are invested in corporate bonds from the US.</li> <li>(b) Minimum 70% of the Target Fund’s assets are invested in High-Yield Investments Type 1.</li> <li>(c) Maximum 20 % of the Target Fund’s assets may be invested in Emerging Markets.</li> <li>(d) The Target Fund’s assets not denominated in USD may only exceed 20% of the value of the Target Fund’s assets if the amount exceeding this limit is hedged. Assets and liabilities denominated in the same currency will be set off or netted for the purpose of calculating this limit. Investment instruments that are not denominated in a</li> </ul>	<p><b>INVESTMENT RESTRICTIONS</b></p> <ul style="list-style-type: none"> <li>(a) Minimum 70% of the Target Fund’s assets are invested in corporate bonds from the US.</li> <li>(b) Minimum 70% of the Target Fund’s assets are invested in High-Yield Investments Type 1.</li> <li>(c) Maximum 20 % of the Target Fund’s assets may be invested in Emerging Markets.</li> <li>(d) Maximum 20% non-USD currency exposure.</li> <li>(e) The Target Fund adopts specific investment strategy which is the KPI Strategy (Absolute) (including exclusion criteria) as disclosed in the “KPI Strategy (Absolute)” section below.</li> </ul>



Prior Disclosure	Revised Disclosure
<p>currency (i.e. no par shares) are considered to be denominated in the currency of the country in which the registered office of the issuer (for securities representing equities: the company) is located.</p> <p>(e) The Target Fund adopts specific investment strategy which is the climate engagement strategy (including exclusion criteria) as disclosed in the Climate Engagement Strategy section below.</p> <p>(f) The Duration in the Target Fund should be between zero (0) and three (3) years.</p> <p>(g) Hong Kong restrictions applies to the Target Fund whereby irrespective of the Target Fund’s specific asset class principles, its investment objective and restrictions which fully continue to apply (1) The Target Fund’s net derivative exposure may be maximum 50% of its net asset value and (2) to the extent the Target Fund invests in Debt Securities, it may not invest more than 10% of its assets in Debt Securities issued by or guaranteed by any single country with a credit rating below Investment Grade or unrated, and (3) to the extent the Target Fund is deemed to be a bond fund (as defined pursuant to Appendix 1, Part B of the Target Fund Prospectus) it may invest less than 30% of its assets in instruments with loss-absorption features (including contingent convertible bonds, senior non-preferred Debt Securities, instruments issued under the resolution regime for financial institutions and other capital instruments issued by banks or other financial institutions), of which a maximum of 10% of the Target Fund’s assets may be invested in contingent convertible bonds. A “single country” as referred to in the above sentence shall include a country, its government, a public or local authority or nationalized industry of that country.</p> <p>(h) Taiwan restrictions applies to the Target Fund whereby (1) the exposure of the Target Fund’s open long positions in financial derivative instruments may not exceed 40% of the Target Fund’s assets for purposes of efficient portfolio management, unless otherwise exempted by the Taiwan Financial Supervisory Commission (“FSC”); whereas the total amount of its open short positions in financial derivative instruments may not exceed the total market value of the corresponding securities required to be held by the Target Fund for hedging purposes, as stipulated from time to time by the FSC; and (2) the total amount invested directly in China A-Shares and China interbank bonds (“CIBM”) shall not exceed 20% of the Target Fund’s assets, or such other percentage of its assets as stipulated by the FSC from time to time.</p>	<p>Minimum 70% of Target Fund’s portfolio shall be evaluated by the “Weighted Average GHG Intensity (Sales)” as disclosed in the “Weighted Average GHG Intensity” section below. Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and deposits).</p> <p>(f) At least a 5% year-on-year improvement pathway at the fiscal year end of the Target Fund’s Weighted Average GHG Intensity (Sales) starting at the reference date: 30 May 2023. For the period between reference date and the first fiscal year end a pro rata temporis rate of the annual rate will be applied.</p> <p>(g) The Duration in the Target Fund should be between zero (0) and three (3) years.</p> <p>(h) Hong Kong Restriction applies.</p> <p>(i) Taiwan Restriction applies, except for the respective high-yield limit.</p>
<p><b>CLIMATE INVESTMENT STRATEGY</b></p> <p>The Target Fund adopts the climate engagement strategy which promotes responsible investment by including environmental factors and climate</p>	<p><b>KPI Strategy (Absolute)</b></p> <p>The Target Fund adopts KPI Strategy (Absolute) to achieve, at least, a year-on-year improvement pathway on the Target Fund’s weighted average Sustainability</p>

Prior Disclosure	Revised Disclosure
<p>engagement with outcome and proxy voting in the analysis of investments.</p> <p>The Target Fund is managed in accordance with the climate engagement strategy that promotes an environmental characteristic through the engagement with the top 10 carbon emitting issuers of the Target Fund to encourage their transition pathway to a low carbon economy by setting objectives targets which are sector specific. Top 10 carbon emitting issuers of the portfolio are ranked based upon the carbon emissions of the issuers in the portfolio for their scope 1 and scope 2 emissions data. Scope 1 aims to measure all direct emissions from the activities of a corporate or under their control. Scope 2 aims to measure all indirect emissions from electricity purchased and used by the corporate based upon the Greenhouse Gas Protocol definition.</p> <p>The Investment Manager will ensure through the exercise of voting rights to promote good governance and advances environmental issues. The Investment Manager will engage with issuers regarding their target settings with respect to a climate transition pathway.</p> <p>Governance characteristics are assessed based on the issuer's system of rules, practices, and processes by which it is directed and controlled. In addition, climate engagement strategy applies minimum exclusion criteria for:</p> <ul style="list-style-type: none"> <li>- severe violations of United Nations Global Compact Violators (divestment of issuers that are unwilling to change after engagement);</li> <li>- issuers involved in the production of controversial weapons or issuers that derive more than a 10% of their revenues from weapons;</li> <li>- issuers that derive more than 10% of their revenue from thermal coal extraction and utility issuers that generate more than 20% of their revenues from coal; and</li> <li>- issuers involved in the production of tobacco, and issuers involved in the distribution of tobacco in excess of 5% of their revenues.</li> </ul> <p>For sovereign issuers, an insufficient Freedom House Index score is considered. The Target Fund might invest in securities baskets such as indices which can contain securities falling under aforementioned exclusion criteria.</p> <p>The Investment Manager intends to:</p> <ul style="list-style-type: none"> <li>- engage with the top 10 carbon emitting issuers of securities included in the Target Fund;</li> <li>- engage on climate transition with objective targets.</li> </ul> <p>Sovereign issuers included in the Target Fund's assets will not be engaged with but issued securities to be</p>	<p>KPI. The Sustainability KPI measures the GHG Intensity defined by the weighted average intensity of greenhouse gas emissions based on a company's annual sales ("GHG Intensity"). In order to reach this target, the Investment Manager will proceed to yearly checks, comparing the Target Fund's Sustainability KPI to the annual improvement pathway (time series) of the Sustainability KPI. The time series will be established at the first day of application of the Sustainability KPI (reference date) using the target annual improvement rate for the prospective fiscal year ends of the Target Fund. For each fiscal year end of the time series, the annual improvement rate will be applied to the value of the previous fiscal year end target. For the period between reference point and the first fiscal year end a pro rata temporis rate of the annual rate will be applied.</p> <p><b>Weighted Average GHG Intensity</b></p> <p>The weighted average GHG Intensity is the weighted average of the Target Fund's GHG Intensity (in tCO<sub>2</sub>e per Millions of sales). Sales represent company's annual sales. This ratio of GHG normalized by sales facilitates comparison between companies of different sizes. The metric allows comparing weighted average GHG Intensities of different portfolios to identify portfolios comprised of more GHG-efficient issuers in terms of the issuer's sales. The portfolio weights (and benchmark or universe weights) are rebased such that only issuers with GHG emissions data available are considered in the calculation. GHG represents a respective issuer's greenhouse gas emissions. To determine the GHG intensity of a company issuer, GHG intensity data from third party data providers will be used. The GHG intensity is analysed by the Investment Manager and is considered within the securities selection process in order to meet the Target Fund's investment objective.</p> <p>The proportion of assets which do not have a GHG intensity assessment is expected to be low. Examples of instruments not having a GHG intensity assessment are cash and deposits, some target sub-funds, and investments for which the GHG intensity is deemed to be not appropriate and/or data is not available.</p> <p><b>Binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics</b></p> <p>The binding elements are:</p> <ul style="list-style-type: none"> <li>- Minimum 70% KPI coverage of the Target Fund's portfolio (portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e. g., cash and deposits)).</li> <li>- At least a 5% year-on-year improvement pathway of the Target Fund's Weighted Average GHG Intensity starting at the reference date May 30, 2023. For the period between reference point and the first fiscal year end a pro rata temporis rate of the annual rate will be applied.</li> </ul>

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<p>acquired by the Target Fund will be subject to a sustainable responsible investing (“SRI”) rating approach. The percentage of investment into sovereign issuers might vary from sub-fund to sub-fund. Some investments cannot be engaged with or rated according to the SRI rating methodology.</p> <p>As far as the use of derivatives is concerned, the Investment Manager will, if possible, give preference to transactions with derivatives that serve to fulfil the advertised environmental or social characteristics of the Target Fund managed in accordance with the climate engagement.</p>	<ul style="list-style-type: none"> <li>- Application of the following sustainable minimum exclusion criteria for direct investments: <ul style="list-style-type: none"> <li>- securities issued by companies having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption;</li> <li>- securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons);</li> <li>- securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and services; securities issued by companies that derive more than 10% of their revenue from thermal coal extraction;</li> <li>- securities issued by utility companies that generate more than 20% of their revenues from coal;</li> <li>- securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco with more than 5% of their revenues.</li> </ul> </li> </ul> <p>Direct investments in sovereign issuers with an insufficient freedom house index score are excluded.</p> <p>The sustainable minimum exclusion criteria are based on information from an external data provider and coded in pre- and post-trade compliance. The review is performed at least half yearly.</p> <p><b>The Target Fund issues several share classes and may issue new share classes with different features and requirements in the future. The Fund will have full discretion to decide on share class of the Target Fund to invest and may switch to different share class of the Target Fund. Such decision will be made in the best interest of investors. Investors should note that the investment objective, investment strategy and risk profile of the Fund remain the same regardless the investment of the Fund in different share class of the Target Fund.</b></p>

**SPECIFIC INVESTMENT PRINCIPLES**

In addition to the principles set out in the General Investment Principles section, the following principles shall apply unless stated otherwise in the Investment Restriction section:

- (a) The Target Fund's assets are primarily invested in Debt Securities as described in the investment objective of the Target Fund.
- (b) Less than 30% of the Target Fund's assets may be invested in Debt Securities other than described in the investment objective.
- (c) Maximum 20 % of the Target Fund's assets may be invested in mortgage-backed securities ("MBS") and/or asset- backed securities ("ABS").
- (d) Maximum 10% of the Target Fund's assets may be invested in contingent convertible bonds.
- (e) Maximum 10% of the Target Fund's assets may be invested in preference shares.
- (f) Maximum 10% of the Target Fund's assets may be invested in UCITS and/or UCI.
- (g) Maximum 100% of the Target Fund's assets may be held in deposits and/or invested directly in money market instruments and/or (up to 10% of the Target Fund's assets) in money market funds on a temporary basis for liquidity management and/or defensive purpose and/or any other exceptional circumstances, and if the Investment Manager considers it in the best interest of the Target Fund.
- (h) Where a country, region and/or market is referred to in the Target Fund's investment objective (or in the Target Fund's investment restriction), the Target Fund will (or will not) make investments which have exposure or connection to such country, region and/or markets. Such investments include Debt Securities that are issued or guaranteed by governments, municipalities, agencies, supra-nationals, central, regional or local authority and companies of (including those that generate a predominant share of their sales or their profits in) such country, region and/or market as well as companies that are under common management or control of, or have substantial direct or indirect participation in the foregoing companies.
- (i) The Target Fund's assets may be invested in Equities and comparable securities or rights in the exercise of subscription, conversion and option rights on investments such as convertible bonds, contingent convertible bonds and bonds with warrants, but they must be sold within twelve months from the date of acquisition. Up to 5% of Target Fund's assets as described in the aforementioned meaning may be invested longer than twelve (12) months if the Investment Manager considers it in the best interest of the Target Fund.

**SPECIFIC INVESTMENT PRINCIPLES**

In addition to the principles set out in the General Investment Principles section, the following principles shall apply unless stated otherwise in the Investment Restriction section:

- (a) The Investment Manager follows, unless otherwise stated in the Target Fund's investment objective (or in the Target Fund's investment restriction), always an active management approach.
- (b) The Target Fund's assets are primarily invested in Debt Securities as described in the investment objective of the Target Fund.
- (c) Less than 30% of the Target Fund's assets may be invested in Debt Securities other than described in the investment objective of the Target Fund.
- (d) Maximum 20 % of the Target Fund's assets may be invested in asset-backed securities ("ABS") and/or mortgage-backed securities ("MBS").
- (e) Maximum 10% of the Target Fund's assets may be invested in contingent convertible bonds.
- (f) Maximum 10% of the Target Fund's assets may be invested in preference shares.
- (g) Maximum 10% of the Target Fund's assets may be invested in UCITS and/or UCI.
- (h) Maximum 100% of the Target Fund's assets may be held in time deposits and/or (up to 20% of Target Fund's assets) in deposits and/or invested directly in money market instruments and/or (up to 10% of the Target Fund's assets) in money market funds on a temporary basis for liquidity management and/or defensive purpose and/or any other exceptional circumstances, and if the Investment Manager considers it in the best interest of the Target Fund.
- (i) Where a country, region and/or market is referred to in the Target Fund's investment objective (or in the Target Fund's investment restriction), the Target Fund will (or will not) make investments which have exposure or connection to such country, region and/or markets. Such investments include Debt Securities that are issued or guaranteed by governments, municipalities, agencies, supra-nationals, central, regional, or local authority and companies of (including those that generate a predominant share of their sales or their profits in) such country, region and/or market as well as companies that are under common management or control of, or have substantial direct or indirect participation in the foregoing companies.
- (j) The Target Fund's assets may be invested in Equities and comparable securities or rights in the exercise of subscription, conversion and option rights on investments such as convertible bonds, contingent convertible bonds and bonds with warrants, but they must be sold within twelve months from the date of acquisition. Up to 5% of Target Fund's assets as described in the aforementioned meaning may be invested longer than twelve (12) months if the Investment Manager considers it in the best interest of the Target Fund.

**GENERAL INVESTMENT PRINCIPLES**

1) The Target Fund may invest in the following assets:

c) Deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months , provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law. The deposits may in principle be denominated in all currencies permitted by the investment policy of the Target Fund.

3) In investing the assets of the Company, the following restrictions must be observed:

a) On behalf of the Target Fund, the Company may purchase securities or money-market instruments of an issuer, provided that the aggregate value of such securities and the value of securities issued by the same issuer which are already contained in the Target Fund does not exceed 10% of the Target Fund’s net assets at the time of purchase. The Target Fund may invest a maximum of 20% of its net assets in deposits at one institution. The default risk of the counterparties in OTC derivatives may not exceed 10% of the Target Fund’s net assets if the counterparty is a credit institution within the meaning of item 1) (c); for other cases, the maximum limit is 5% of the Target Fund’s net assets. The aggregate value in the Target Fund’s net assets of securities and money-market instruments of issuers where the Target Fund has invested more than 5% of its net assets in securities and money-market instruments of the same issuer may not exceed 40% of the Target Fund’s net assets. This restriction does not apply to deposits and to transactions with OTC derivatives that are effected with financial institutions that are subject to official supervision.

Irrespective of the individual investment limits cited above, the Target Fund may not invest more than 20% of its net assets in aggregate in:

- the securities or money-market instruments issued by a single body;
- deposits with that body; and/or
- exposures arising under OTC derivatives entered into with that body.

**GENERAL INVESTMENT PRINCIPLES**

1) The Target Fund may invest in the following assets:

c) Time deposits and/or deposits at sight (“Deposits”) with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law. Time deposits are generally held in interest bearing bank accounts that have a pre-set date of maturity. Deposits at sight are limited to cash held in current accounts with a bank accessible at any time to cover current or exceptional payments. The Deposits may in principle be denominated in all currencies permitted by the investment policy of the Target Fund.

3) In investing the assets of the Company, the following restrictions must be observed:

a) On behalf of the Target Fund, the Company may purchase securities or money market instruments of an issuer, provided that the aggregate value of such securities and the value of securities issued by the same issuer which are already contained in the Target Fund does not exceed 10% of the Target Fund’s net assets at the time of purchase. The Target Fund may invest a maximum of 20% of its net assets in Deposits at one institution. The default risk of the counterparties in OTC derivatives may not exceed 10% of the Target Fund’s net assets if the counterparty is a credit institution within the meaning of item 1) (c); for other cases, the maximum limit is 5% of the Target Fund’s net assets. The aggregate value in the Target Fund’s net assets of securities and money market instruments of issuers where the Target Fund has invested more than 5% of its net assets in securities and money market instruments of the same issuer may not exceed 40% of the Target Fund’s net assets. This restriction does not apply to Deposits and to transactions with OTC derivatives that are effected with financial institutions that are subject to official supervision.

The Target Fund may invest in ancillary liquid assets which are limited to deposits at sight, such as cash held in current accounts with a bank accessible at any time to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets according to Appendix 1, Part A, No. 1 of Target Fund Prospectus or for a period strictly necessary in case of unfavorable market conditions. The holding of such ancillary liquid assets is limited to 20% of Target Fund’s net assets. Such 20% limit shall only be temporarily breached for a period strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require and where such breach is justified by the interests of Target Fund’s shareholders.

	<p>Irrespective of the individual investment limits cited above, the Target Fund may not invest more than 20% of its net assets in aggregate in:</p> <ul style="list-style-type: none"> <li>• the securities or money market instruments issued by a single body;</li> <li>• Deposits with that body; and/or</li> <li>• exposures arising under OTC derivatives entered into with that body.</li> </ul>
<p>g) The Target Fund may purchase units of other UCITS or UCIs as defined under item 1) (b) up to a total of 10% of the Target Fund's net assets. In derogation of this, the board of directors of the Company may decide that a higher percentage or all of the Target Fund's net assets may be invested in units of other UCITS or UCIs as defined under item 1) (b), which will be explicitly mentioned in the Target Fund's investment restrictions or in the Target Fund Prospectus. In this case the Target Fund may not invest more than 20% of the Target Fund's net assets in a single UCITS or UCI. When this investment limit is applied, the Target Fund must be considered to be an independent investment fund if the principle of separate liability with regards to third parties is applied to the Target Fund. Similarly, in this case investments in units of other UCIs than UCITS may not exceed a total of 30% of the Target Fund's net assets.</p> <p>Moreover, the board of directors of the Company may decide to allow the investment in units of a master fund qualifying as a UCITS provided that the relevant sub-fund (the "Feeder Sub-Fund") invests at least 85% of its net asset value in units of such master fund and that such master fund shall neither itself be a feeder fund nor hold units of a feeder fund, which will be explicitly mentioned in the Target Fund's investment restrictions or in the Target Fund Prospectus.</p> <p>A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:</p> <ul style="list-style-type: none"> <li>• ancillary liquid assets in accordance with Article 41 paragraph 2 second sub-paragraph of the Law;</li> <li>• derivatives, which may be used only for hedging purposes, in accordance with Article 41 paragraph 1, letter g) and Article 42 paragraphs 2 and 3 of the Law; and</li> <li>• movable and immovable property which is essential for the direct pursuit of the Company's business.</li> </ul> <p>If the Target Fund has acquired units of a UCITS or a UCI, the investment values of the relevant UCITS or UCIs are not considered with regard to the investment limits stated under items 3) (a) to (d).</p> <p>If the Target Fund acquires shares of a UCITS or UCI which is directly or indirectly managed by the same company or by another company with which the Company is linked by common management or control, or by a substantial direct or indirect participation (at least 10% of the capital or the votes)</p>	<p>g) The Target Fund may purchase units of other UCITS or UCIs as defined under item 1) b) up to a total of 10% of the Target Fund's net assets. In derogation of this, the board of directors of the Company may decide that a higher percentage or all of the Target Fund's net assets may be invested in units of other UCITS or UCIs as defined under item 1) b), which will be explicitly mentioned in the Target Fund's investment restrictions or in the Target Fund Prospectus. In this case the Target Fund may not invest more than 20% of the Target Fund's net assets in a single UCITS or UCI. When this investment limit is applied, the Target Fund must be considered to be an independent investment fund if the principle of separate liability with regards to third parties is applied to the Target Fund. Similarly, in this case investments in units of other UCIs than UCITS may not exceed a total of 30% of the Target Fund's net assets.</p> <p>If the Target Fund has acquired units of a UCITS or a UCI, the investment values of the relevant UCITS or UCIs are not considered with regard to the investment limits stated under items 3) a) to d).</p> <p>If the Target Fund acquires shares of a UCITS or UCI which is directly or indirectly managed by the same company or by another company with which the Company is linked by common management or control, or by a substantial direct or indirect participation (at least 10% of the capital or the votes) then neither the Company nor the associated company may charge fees for the subscription or redemption of units.</p> <p>If the Target Fund invests a substantial portion of its assets in other UCITS and/or other UCI as defined above, a management fee at the level of such UCITS or UCI (excluding any performance fee, if any) of no more than 2.50% per annum of their net asset value may be charged.</p>

<p>then neither the Company nor the associated company may charge fees for the subscription or redemption of units.</p> <p>If the Target Fund invests a substantial portion of its assets in other UCITS and/or other UCI as defined above, a management fee at the level of such UCITS or UCI (excluding any performance fee, if any) of no more than 2.50% per annum of their net asset value may be charged.</p>	
<p>h) Irrespective of the investment limits set down in letter i) below, the board of directors of the Company may determine that the upper limits stated in letters a) to d) above for investments in equities and/or debt instruments of a single issuer amount to 20% if the objective of the Target Fund's investment strategy is to replicate a specific equity or bond index recognised by the CSSF, provided that:</p> <ul style="list-style-type: none"> <li>• the composition of the index is adequately diversified;</li> <li>• the index represents an adequate benchmark for the market to which it refers; and</li> <li>• the index is published in an appropriate manner.</li> </ul> <p>The limit of 20% is raised to 35% provided this is justified based on exceptional market conditions, and in particular in Regulated Markets where certain securities or money-market instruments are in a strongly dominant position. An investment up to this limit is only possible with a single issuer. The limit in accordance with letter a) above does not apply.</p>	<p>&lt;N/A&gt;</p>

6) Use of techniques and instruments

Use of such investment strategies may be restricted by market conditions or as a result of regulatory restrictions and there is no assurance that the pursuit of such strategies will in fact achieve the desired aim.

The use of derivatives to hedge an asset of the Target Fund is intended to reduce the economic risk inherent in that asset. This also has the effect, however, of eliminating the Target Fund's participation in any positive performance of the hedged asset.

The Target Fund incurs additional risks when using derivative instruments to increase returns in pursuit of its investment objective. These additional risks depend on the characteristics both of the respective derivative and of the underlying. Derivative investments may be subject to leverage, with the result that even a small investment in derivatives could have a substantial, even negative, effect on the performance of the Target Fund.

6) Use of techniques and instruments

Use of such investment strategies may be restricted by market conditions or as a result of regulatory restrictions and there is no assurance that the pursuit of such strategies will in fact achieve the desired aim.

Derivatives

The Company may use a wide variety of derivatives, which may also be combined with other assets. The Company may also acquire securities and money market instruments which embed one or more derivatives. Derivatives are based on "underlyings". These "underlyings" may be the admissible instruments listed in the Target Fund Prospectus or they may be financial indices, interest rates, exchange rates or currencies. Financial indices here include, specifically, currency, exchange-rate, interest-rate, price and overall interest-rate return indices, as well as the continued use of bond and equity indices, indices on the additional permissible instruments listed in the Target Fund Prospectus, and commodity futures, precious metal and commodity indices.

Set out hereafter are examples of the function of selected derivatives that Target Fund may use depending on its specific investment restrictions:

Options

The purchase of a call or put option is the right to buy or sell a specific "underlying" at a fixed price at a future time or within a specific period of time or to enter into or terminate a specific contract. An option premium is paid for this right, which is payable whether or not the option is exercised.

The sale of a call or put option, for which the seller receives an option premium, is the obligation to sell or buy a specific "underlying" at a fixed price at a future time or within a specific period of time or to enter into or terminate a specific contract.

Futures-Contracts

Futures-contracts are exchange-traded instruments, and their dealing is subject to the rules of the exchanges on which they are dealt. The amounts of the underlying asset cannot be changed nor can the settlement date for the contract. Trades in futures are conducted via brokers who execute for the Target Fund's portfolio and/or clear the contracts for the Target Fund's portfolio on the exchange. Futures-contracts are subject to margin provisions. At the time of purchase or sale, initial margin is posted to the exchange via the clearing broker. As the price of the contract rises or falls with the price of the underlying, variation margin is posted or received by the Target Fund's portfolio via a clearing broker.

Futures-contracts on equity indices (equity index futures) will be used for both, efficient portfolio management and hedging purposes. An equity index future is a futures-contract whose underlying instrument is an equity index.



The market value of an index future tends to rise and fall in relation to the underlying index. The price of an index future will generally increase as the level of its underlying increases.

Interest rate and currency futures-contracts are used to increase or reduce interest rate or currency exposure to a particular market. Buying interest rate or currency futures provides the Target Fund with interest rate exposure to the government bond interest rates in a given country or currency area (e.g., Eurozone). Selling futures-contract reduces interest rate or currency exposure in the same way. Futures-contracts will sometimes be used by the Target Fund in combination with other securities. For example, by buying corporate bonds and selling a duration-weighted amount of other bond futures-contracts against those purchases, the Target Fund can take advantage of movements in credit spreads without having exposure to interest rate risk in that market.

Exchange traded bond, currency and interest rate futures may be used as a cost-efficient alternative to taking outright positions in underlying securities or for hedging specific risk in relation to the Target Fund's portfolio holding.

#### Forward Transactions

A forward transaction is a mutual agreement that authorises or obliges the counterparties to accept or to deliver a specific "underlying" at a fixed price and at a specific time, or to make a corresponding cash settlement available. As a rule, only a fraction of the size of any contract must be paid upfront ("margin").

#### Contract for Difference

A contract for difference is a contract between the Company and a counterparty. Typically, one party is described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (if the difference is negative, then the buyer pays instead to the seller). Contract for differences may be used to take advantage of prices moving up (long positions) or prices moving down (short positions) on underlying financial instruments and are often used to speculate on those markets. For example, when applied to equities, such a contract is an equity derivative that allows the portfolio manager to speculate on share price movements, without the need for ownership of the underlying shares.

#### Swaps

A swap is a transaction in which the reference values underlying the transaction are swapped between the counterparties. The Company may, in particular, enter into interest-rate, currency, equity, bond and money market related swap transactions, as well as credit default swap transactions within the framework of the Target Fund's investment strategy. The payments due from the Company to the counterparty and vice versa are

	<p>calculated by reference to the specific instrument and an agreed upon notional amount.</p> <p>Credit default swaps are credit derivatives that transfer the economic risk of a credit default to another party. Credit default swaps may be used, among other things, to hedge creditworthiness risks arising from bonds acquired by the Target Fund (e.g., government or corporate bonds). As a rule, the counterparty may be obliged to buy the bond at an agreed price or pay a cash settlement upon the occurrence a previously defined event, such as the insolvency of the issuer, occurs. The buyer of the credit default swap pays a premium to the counterparty as consideration for assuming the credit default risk.</p> <p>OTC Derivative Transactions</p> <p>The Company may enter into transactions both in derivatives that are admitted for trading on an exchange or on another Regulated Market, as well as so-called OTC transactions. In OTC transactions, the counterparties enter into direct, non-standardised agreements that are individually negotiated and that contain the rights and obligations of the counterparties. OTC derivatives often have only limited liquidity and may be subject to relatively high price fluctuations.</p> <p>The use of derivatives to hedge an asset of the Target Fund is intended to reduce the economic risk inherent in that asset. This also has the effect, however, of eliminating the Target Fund's participation in any positive performance of the hedged asset.</p> <p>The Target Fund incurs additional risks when using derivative instruments to increase returns in pursuit of its investment objective. These additional risks depend on the characteristics both of the respective derivative and of the "underlying". Derivative investments may be subject to leverage, with the result that even a small investment in derivatives could have a substantial, even negative, effect on the performance of the Target Fund.</p>
<N/A>	<p>15) Transactions with Affiliated Companies</p> <p>The Company, on behalf of the Target Fund, may also enter into transactions and invest in currencies and other instruments for which affiliated companies act as broker or acts on its own account or for account of the customers. This also applies for cases in which affiliated companies, or their customers execute transactions in line with those of the Company. The Company may also enter into mutual transactions, on behalf of the Target Fund, in which affiliated companies act both in the name of the Company and simultaneously in the name of the participating counterparty. In such cases, the affiliated companies have a special responsibility towards both parties. The affiliated companies may also develop or issue derivative instruments for which the underlying securities, currencies or instruments can be the investments in which the Company invests or that are based on the performance of the Target Fund. The Company may acquire investments that were either</p>



12) Update on the Fees and Charges of the Target Fund and insertion on redemption and suspension policy of the Target Fund.

Prior Disclosure		Revised Disclosure	
<b>FEES AND CHARGES OF THE TARGET FUND</b>		<b>FEES AND CHARGES OF THE TARGET FUND</b>	
<b>Preliminary Charge</b>	Not applicable.	<b>Sales Charge</b>	Up to 5.00% of the net asset value per share of the Target Fund. <b><i>Please note that the Fund will not be charged the sales charge when it invests in the Target Fund.</i></b>
<b>Redemption Fee</b>	Not applicable.	<b>Redemption Fee</b>	Not applicable
<b>Management Fee</b>	Up to 1.10% per annum of the net asset value of the Target Fund. <b><i>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.</i></b>	<b>Conversion Fee</b>	Up to 5.00% of the net asset value per share of the Target Fund. <b><i>Please note that the Fund will not be charged the conversion fee when it converts to other share classes of the Target Fund.</i></b>
		<b>All-in-Fee</b>	Up to 2.75% per annum of the net asset value of the Target Fund The all-in-fee includes management fees and administration fees. The fees and expenses of the Investment Manager, central administration agent and depository will be covered by the all-in-fee payable to the Management Company. <b><i>Please note that the management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by the Manager at the Fund level. There is no double charging of management fee.</i></b>
		<b>Taxe d' Abonnement</b>	0.05% per annum of the net asset value of the Target Fund. Taxe d' Abonnement is an annual subscription tax imposed in Luxembourg which is payable quarterly on the basis of the net asset value of the Company at the end of the relevant calendar quarter.
<N/A>		<b>DEFERRAL OF REDEMPTION AND CONVERSION REQUESTS OF THE TARGET FUND</b>	
		If redemption applications (including the redemption portion of conversion applications) exceed 10% of the shares in issue or net asset value of the Target Fund on	

Prior Disclosure	Revised Disclosure
	<p>any dealing day of the Target Fund, the directors of the Company may in their absolute discretion defer some or all of such applications for such period of time (which shall not exceed two valuation days of the Target Fund) that the Company considers to be in the best interest of the Target Fund, provided that, on the first valuation day of the Target Fund following this period, such deferred redemption and conversion applications will be given priority and settled ahead of newer applications received after this period.</p>
<N/A>	<p><b>SUSPENSION OF CALCULATION OF NET ASSET VALUE OF THE TARGET FUND</b></p> <p>The Company may after consultation with the Depositary, having regard to the best interests of shareholders of the Target Fund, including the Fund, temporarily suspend the calculation of the net asset value per share of the Target Fund as well as any dealing in all share of the Target Fund upon the occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>(a) during any period (with the exception of regular bank holidays) in which any of the principal stock exchanges or other markets on which a substantial portion of the net assets of the Target Fund is listed or dealt in is closed, or during any period in which trade on such an exchange or market is restricted or suspended, provided that such closure, restriction or suspension affects the valuation of the net assets of the Target Fund listed on such exchange or market; or</li> <li>(b) during any period in which, in the view of the directors of the Company, there is an emergency, the result of which is that the sale or valuation of net assets of the Target Fund or share class of the Target Fund cannot, for all practical purposes, be carried out; or</li> <li>(c) at times when there is a breakdown in the means of communication or calculation normally used on an exchange or other market to determine the price or the value of investments of the Target Fund or share class of the Target Fund or to determine the current price or value of investments of the Target Fund or share class of the Target Fund; or</li> <li>(d) if, for any other reason, the prices for assets of the Target Fund or share class of the Target Fund cannot be determined rapidly or precisely; or</li> <li>(e) during any period in which it is not possible for the Company to repatriate the necessary funds for the redemption of shares of the Target Fund, or in which the transfer of funds from the sale or for the acquisition of investments or for payments resulting from redemptions of shares of the Target Fund cannot be carried out, in the view of the board of directors of the Company, at normal exchange rates; or</li> <li>(f) from the time of the announcement of a call by investors for an extraordinary meeting of shareholders of the Target Fund for the purpose of liquidating the Company or for the purpose of carrying out a merger of the Company, the Target Fund or share class of the Target Fund, or for the purpose of informing investors of the decision by the board of directors of the Company to liquidate the Target Fund or share class</li> </ul>

Prior Disclosure	Revised Disclosure
	<p>of the Target Fund or for the purpose of merging Target Fund or share classes of Target Fund; or</p> <p>(g) during any period in which the valuation of the currency hedges of the Target Fund or share class of the Target Fund whose investment objectives and policies make hedging of currencies at the share class of the Target Fund or Target Fund level desirable cannot be adequately carried out or cannot be carried out at all.</p> <p><b>This Information Memorandum describes the features of the Target Fund in accordance with the Target Fund Prospectus and we recommend that this Information Memorandum should be read in conjunction with the Target Fund Prospectus which is available at the business address of the Manager. We take all reasonable efforts to ensure the accuracy of the disclosure in this Information Memorandum in relation to the Target Fund, including obtaining the confirmation from the Management Company. However, in the event of any inconsistency or ambiguity in relation to the disclosure, including any word or phrase used in this Information Memorandum regarding the Target Fund as compared to the Target Fund Prospectus, the Target Fund Prospectus shall prevail.</b></p>

### 13) Inclusion to Risks of the Fund and the Target Fund

Prior Disclosure	Revised Disclosure
<p><b>GENERAL RISKS OF THE FUND</b></p> <p><b>Operational risk</b></p> <p>Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.</p> <p>&lt;N/A&gt;</p>	<p><b>GENERAL RISKS OF THE FUND</b></p> <p><b>Operational risk</b></p> <p>This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you. The Manager will review its internal policies and system capability to mitigate instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.</p> <p><b>Suspension of repurchase request risk</b></p> <p>Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so.</p> <p>The exceptional circumstances may include, amongst other, suspension of dealing by the Target</p>

Prior Disclosure	Revised Disclosure
	Fund. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.
<N/A>	<p><b>Related party transaction risk</b></p> <p>The Fund may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.</p>
<p><b>SPECIFIC RISKS OF THE FUND</b></p> <p><b>Liquidity risk</b></p> <p>This is the risk that the units of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of units of the Target Fund. The Investment Manager may suspend the realisation of units, or delay the payment of realisation proceeds in respect of any realisation request received, during any periods in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, we will maintain sufficient liquidity level for the purposes of meeting repurchase requests.</p> <p>&lt;N/A&gt;</p>	<p><b>SPECIFIC RISKS OF THE FUND</b></p> <p><b>Liquidity risk</b></p> <p>This is the risk that the shares of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of shares of the Target Fund. The Investment Manager may suspend the realisation of shares of the Target Fund, or delay the payment of realisation proceeds in respect of any realisation request received, during any periods in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in a timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, we will maintain sufficient liquidity level for the purposes of meeting repurchase requests.</p> <p>Please refer to the "Suspension of Dealing in Units" section of this Information Memorandum for more details.</p> <p><b>Counterparty risk</b></p> <p>Counterparty risk is the risk associated with the ongoing ability and willingness of the issuers to derivatives ("Investments") to fulfill their respective financial commitments to the Fund in a timely manner. Bankruptcy, fraud or regulatory non-compliance arising out of and/or in connection with the issuer may impair the operations and/or the performance of the Fund. However, we will conduct stringent credit selection process of the issuer of the Investments prior to commencement of Investments and monitoring mechanisms established by us may potentially mitigate this risk. If, we are of the opinion there is material adverse change to an issuer, we may consider unwinding the issuer's Investments to mitigate potential losses that may arise.</p>

<p><b>SPECIFIC RISKS OF THE TARGET FUND</b></p> <p>&lt;N/A&gt;</p>	<p><b>RISKS OF THE TARGET FUND</b></p> <p><b>Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS) risk</b></p> <p>The income, performance and/or capital repayment amounts of ABS and MBS are linked to the income, performance, liquidity and credit rating of the underlying or covering pool of reference assets (e.g., receivables, securities and/or credit derivatives), as well as the individual assets included in the pool or their issuers. If the performance of the assets in the pool is unfavourable for investors, depending on the form of the ABS or MBS, those investors may suffer losses up to and including total loss of invested capital.</p> <p>ABS and MBS may be issued with or without the use of a special-purpose vehicle (“SPV”). Such SPVs normally do not engage in any other business aside from issuing ABS or MBS. The pool underlying the ABS or MBS, which also often consists of non-fungible assets, normally represents the only assets of the SPV or the only assets from which the ABS and MBS are to be serviced. If ABS or MBS are issued without the use of a SPV, there is the risk that the liability of the issuer will be limited to the assets included in the pool. The principal risks in respect of the assets included in the pool are concentration risk, liquidity risk, interest-rate risk, creditworthiness risk, company-specific risk, general market risk, risk of default and counterparty risk as well as the general risks of investing in bonds and derivatives, in particular interest-rate risk, creditworthiness risk, company-specific risk, general market risk, risk of default, counterparty risk and liquidity risk.</p> <p>As a result, ABS and MBS may be highly illiquid and prone to substantial price volatility. These instruments may therefore be subject to greater credit, liquidity and interest-rate risks compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities, the net asset value of the Target Fund or investors.</p>
<p>&lt;N/A&gt;</p>	<p><b>Distribution out of capital risk</b></p> <p>The Company may launch share classes whose distribution policy deviates from the regular distribution policy and which may provide for distributions out of capital in accordance with Article 31 of the Law. The payment of distributions out of capital represents a return or withdrawal of part of the amount which the investors originally invested and/or capital gains attributable to the original investment. Investors should be aware that any distributions involving payment of distributions out of the Target Fund’s capital may result in an immediate decrease in the net asset value per share of the Target Fund and may reduce the capital available</p>



	<p>for the Target Fund for future investment and capital growth. As a result, such investors' investment in the Target Fund will be adversely affected. The distribution amount and net asset value of any hedged share classes of the Target Fund may be adversely affected by differences in the interest rates of the reference currency of the hedged share classes and the base currency of the Target Fund, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes. Distribution share applying the fixed percentage policy have a relatively high risk of distributions exceeding realised capital gains and other income. This may result in an immediate decrease in the net asset value per share and may reduce relatively larger portion of capital available for the Target Fund for future investment and capital growth, potentially eroding the capital more quickly.</p>
<N/A>	<p><b>Legal risk</b></p> <p>Legal risks can bear the risk of loss because of the unexpected application of a law or regulation or because a contract cannot be enforced. In case of collateralized transactions, there is the risk that the relevant insolvency law may impose a stay that prevents the collateral taker from liquidating the collateral, even if the collateral arrangement has been set up correctly.</p>
<N/A>	<p><b>Operational risk</b></p> <p>The Company may be exposed to a risk of loss which can arise, for example, from inadequate internal processes and from human error of system failure at the Company, at the Management Company, at the Investment Manager, at the custodian or at external third parties. These risks can affect the performance of the Target Fund, can thus also adversely affect the net asset value per share and the capital invested by the shareholder.</p>
<N/A>	<p><b>Risk associated with the receipt of collateral</b></p> <p>The Company may receive collateral e.g., for OTC derivatives. Derivatives may increase in value. Therefore, collateral received may no longer be sufficient to fully cover the Company's claim for delivery or redemption of collateral against a counterparty. The Company may deposit cash collateral in blocked accounts or invest it in high quality government bonds or in money market funds with a short-term maturity structure. Though, the credit institution that safe keeps the deposits may default; the performance of government bonds and money market funds may be negative. Upon completion of the transaction, the collateral deposited or invested may no longer be available to the full extent, although the Company is obligated to redeem the collateral at the amount initially granted.</p>

	<p>Therefore, the Company may be obliged to increase the collateral to the amount granted and thus compensate the losses incurred by the deposit or investment of collateral.</p>
<N/A>	<p><b>Risk associated with collateral management</b></p> <p>Collateral management requires the use of systems and certain process definitions. Failure of processes as well as human or system errors at the level of the Company, the Management Company or third parties in relation to collateral management could entail the risk that assets, serving as collateral, lose value and are no longer sufficient to fully cover the Company's claim for delivery or transfer back of collateral against a counterparty.</p>
<N/A>	<p><b>China investment risk</b></p> <p>The Target Fund invests in the equity markets and/or Debt Securities markets of the PRC. There are numerous and varied risks associated with such an investment which are referred to as the "China investment risk". Independent if the Target Fund invests in the equity markets and/or Debt Securities markets of the PRC, the following risks are generally associated with such an investment, in the PRC:</p> <p><b>FII Risk</b></p> <p>The Target Fund may invest in securities and investments permitted to be held or made by FII under the relevant FII Regulations through institutions that have obtained FII status in China. In addition to the general investment and equity related risks of investments including in particular the Emerging Markets risks, the following risks should be emphasised:</p> <p><u>Regulatory Risks</u></p> <p>The FII regime is governed by FII Regulations. Certain parts of the Allianz Global Investors Group meet the relevant prescribed eligibility requirements under the FII Regulations and have been granted or might be granted a FII license. FII Regulations may be amended from time to time. It is not possible to predict how such changes would affect the Target Fund.</p> <p>Rules on investment restrictions and rules on repatriation of principal and profits, imposed by the Chinese government on the FII may be applicable to the latter as a whole and not only to the investments made by the Target Fund and may have an adverse effect on the Target Fund's liquidity and performance.</p> <p><u>FII Investments Risks</u></p> <p>Investors should be aware that there can be no assurance that a FII will continue to maintain its FII status and/or that redemption requests can be processed in a timely manner due to changes in FII Regulations. Therefore, the Target Fund may no</p>

longer be able to invest directly in the PRC or may be required to dispose of its investments in the PRC domestic securities market held by the FII, which could have an adverse effect on its performance or result in a significant loss.

Regulatory sanctions may be imposed on the FII if the FII itself or the local custodian breach any provision of the relevant rules and regulations.

Such restriction may result in a rejection of applications or a suspension of dealings of the Target Fund. Should the FII lose its FII status or retire or be removed, the Target Fund may not be able to invest in securities and investments permitted to be held or made by a FII under the FII Regulations, and the Target Fund may be required to dispose of its holdings, which would likely have a material adverse effect on the Target Fund.

#### Limits on Redemption

The Target Fund may be impacted by the rules and restrictions under the FII regime (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. Currently, no regulatory prior approval is required for repatriation of funds from the FII. However, the FII Regulations are subject to uncertainty in their application and there is no certainty that no other regulatory restrictions will apply or that repatriation restrictions will be imposed in the future. Although the relevant FII Regulations have recently been revised to relax regulatory restrictions on the onshore capital management by FIIs (including removing investment quota limit and simplifying process for repatriation of investment proceeds), it is a very new development therefore subject to uncertainties as to how well it will be implemented in practice, especially at the early stage.

Any restrictions on repatriation of the invested capital and net profits may impact on the Target Fund's ability to meet redemption requests from the shareholders. In extreme circumstances, the Target Fund may incur significant loss due to limited investment capabilities or may not be able fully to implement or pursue its investment objectives or strategies, due to FII investment restrictions, illiquidity of the PRC's securities market, and delay or disruption in execution of trades or in settlement of trades.

#### PRC Depository Risks under the FII regime

Where the Target Fund invests in fixed income securities and/or eligible securities through the FII, such securities will be maintained by a local custodian pursuant to PRC regulations through appropriate securities accounts and such other relevant depositories in such name as may be permitted or required in accordance with PRC law.

The Target Fund may incur losses due to the acts or omissions of the depositaries (i.e., local custodians) in PRC appointed by a FII ("PRC Depositary") in the execution or settlement of any transaction. The Depositary will make arrangements to ensure that the relevant PRC Depositary has appropriate procedures to properly safe keep the assets of the Target Fund. The securities accounts are to be maintained and recorded in the joint name of the FII and the Target Fund and segregated from the other assets of the same local custodian. However, the FII Regulations are subject to the interpretation of the relevant authorities in the PRC.

Any securities acquired by the Target Fund held by the FII will be maintained by the PRC Depositary and should be registered in the joint names of the FII and the Target Fund and for the sole benefit and use of the Target Fund. Providing that the FII will be the party entitled to the securities, the related security may be vulnerable to a claim by a liquidator of the FII and may not be as well protected as if they were registered solely in the name of the Target Fund.

In addition, investors should note that cash deposited in the cash account of the Target Fund with the relevant local custodian will not be segregated but will be a debt owing from the local custodian to the Target Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of that local custodian. In the event of bankruptcy or liquidation of the local custodian, the Target Fund will not have any proprietary rights to the cash deposited in such cash account, and the Target Fund will become an unsecured creditor, ranking equal with all other unsecured creditors, of the local custodian. The Target Fund may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the Target Fund will suffer losses.

#### PRC Broker Risks under the FII regime

The execution and settlement of transactions may be conducted by brokers in PRC appointed by a FII ("PRC Brokers") appointed by the FII, as the case may be. There is a risk that the Target Fund may suffer losses from the default, bankruptcy, or disqualification of the PRC Brokers. In such event, the Target Fund may be adversely affected in the execution or settlement of any transaction.

In selection of PRC Brokers, the FII will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the FII, as the case may be, consider appropriate and if under market or operational constraints, it is possible that a single PRC Broker will be appointed, and the Target Fund may not necessarily pay the lowest commission or spread available in the market at the relevant time.

**PRC Tax Provision Risk**

If no or inadequate provision for potential withholding tax is made and, in the event, that the PRC tax authorities enforce the imposition of such withholding tax, the net asset value of the Target Fund may be adversely affected. For any withholding tax made in respect of trading of PRC securities, it may reduce the income from, and/or adversely affect the performance of the Target Fund. With respect to CIBM, the amount withheld (if any) will be retained by the Investment Manager for the account of the Target Fund until the position with regard to PRC taxation in respect of gains and profits from trading via the CIBM has been clarified. In the event that such position is clarified to the advantage of the Target Fund, the Company may rebate all or part of the withheld amount to the Target Fund. The withheld amount (if any) so rebated shall be retained by the Target Fund and reflected in the value of its shares. Notwithstanding the foregoing, no shareholder who redeemed his/her shares before the rebate of any withheld amounts shall be entitled to claim any part of such rebate.

It should also be noted that the actual applicable tax imposed by the PRC tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. Any increased tax liabilities on the Target Fund may adversely affect the Target Fund's value. As such, any provision for taxation made by the Investment Manager for the account of the Target Fund may be excessive or inadequate to meet final PRC tax liabilities. Consequently, shareholders of the Target Fund may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their shares in/from the Target Fund.

If the actual applicable tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Target Fund may suffer more than the tax provision amount as that the Target Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, shareholders who have redeemed shares in the Target Fund before the PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's over-provision. In this case, the then existing and new shareholders may benefit if the difference between the tax provision and the actual

taxation liability under that lower tax amount can be returned to the account of the Target Fund as assets thereof.

Investors should seek their own tax advice on their own tax position with regard to their investment in the Target Fund. It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

#### **RMB Risk**

Investors should be aware that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, RMB is traded in PRC (“CNY”) and outside PRC (“CNH”). RMB traded in PRC, CNY, is not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded outside the PRC, CNH, is freely tradeable but still subject to controls, limits and availability. In general, the respective daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People’s Bank of China (“PBOC”) each day. Its exchange rate against other currencies, including e.g. USD or Hong Kong Dollar, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely.

While CNY and CNH represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps significantly, from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

There is no assurance that RMB will not be subject to devaluation, in which case the value of investors’ investments in RMB assets will be adversely affected.

Currently, the PRC government imposes certain restrictions on repatriation of RMB out of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of the PRC and thereby, may reduce the liquidity of the Target Fund.

The PRC government's policies on exchange controls and repatriation restrictions are subject to change, and the Target Fund's and its investors' position may be adversely affected by such change. As the Target Fund may invest into the Bond Markets of the PRC the following risks apply additionally:

**Bond Connect**

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])" issued by the PBOC on 21 June 2017,

(ii) the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" issued by the Shanghai Head Office of PBOC on 22 June 2017; and

any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the

northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link. Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS, or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and/or the Shanghai Clearing House). All debt securities traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such debt securities as a nominee owner.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market

fluctuating significantly. The Target Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Target Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Target Fund transacts in the China Interbank Bond Market, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Target Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Target Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Target Fund's ability to achieve its investment objective will be negatively affected.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. If the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Target Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Target Fund invests in the China Interbank Bond Market through Bond Connect, the Target Fund may be subject to risks of delays inherent in the order placing and/or settlement systems.

### **China Interbank Bond Market**

#### **Overview**

Participation in CIBM by foreign institutional investors (where such is mentioned in the investment restrictions of the Target Fund) via a foreign access regime (e.g., FII program, CIBM Initiative and/or Bond Connect) is governed by rules and regulations as promulgated by the Mainland Chinese authorities, i.e., the PBOC and the State



Administration of Foreign Exchange (“SAFE”). Such rules and regulations may be amended from time to time and include (but are not limited to):

- (i) the “Announcement (2016) No 3” issued by the PBOC on 17 February 2016,
- (ii) the “Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets” issued by the Shanghai Head Office of PBOC on 27 May 2016,
- (iii) the “Circular concerning the Foreign Institutional Investors’ Investment in Interbank bond market in relation to foreign currency control” issued by SAFE on 27 May 2016, and
- (iv) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in CIBM via CIBM Initiative may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

In terms of fund remittance and repatriation, foreign investors (such as the Company) may remit investment principal in RMB or foreign currency into the PRC for investing in the CIBM. An investor needs to file relevant information about its investments with the Shanghai Head Office of PBOC through the onshore settlement agent and an updated filing may be required if there is any significant change to the filed information. Where the Company repatriates funds out of the PRC, the ratio of RMB to foreign currency (“Currency Ratio”) should generally match the original Currency Ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%.

#### **Taxation Risk**

According to Circular 108, the foreign institutional investors are temporarily exempt from PRC corporate income tax and value-added tax with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and re-imposed retrospective, or that no new tax regulations and practice in China specifically relating to the PRC bond market will not be promulgated in the future.

#### **Risks Associated with China Interbank Bond Market**

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Target Fund investing in such market is therefore

subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Target Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Target Fund transacts in the CIBM, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the relevant filings and account opening for investment in the CIBM via CIBM Initiative have to be carried out via the onshore settlement agent, the Target Fund is subject to the risks of default or errors on the part of the onshore settlement agent.

Investing in the CIBM via a foreign access regime (e.g., FII program, CIBM Initiative and/or Bond Connect) is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. If the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the Target Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Target Fund may suffer substantial losses as a result.

#### **Credit Rating Agency Risk**

The credit appraisal system in the PRC and the rating methodologies employed in the PRC may be different from those employed in other markets. Credit ratings given by PRC rating agencies may therefore not be directly comparable with those given by other international rating agencies.

#### **RMB Debt Securities Risk**

Investors should be aware that the availability of RMB-denominated Debt Securities issued or distributed outside PRC is currently limited and therefore is more susceptible to volatility and illiquidity. The operation of the RMB-denominated Debt Securities markets as well as new issuances could be disrupted, causing a fall in the net asset value of the Target Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalization of the CNH market by the relevant regulators.

If there are insufficient RMB-denominated Debt Securities for the Target Fund to invest in, the Target Fund may hold a significant portion of assets in RMB deposit accounts and/or RMB-denominated certificates of deposit issued by financial institutions.

These circumstances may have an adverse impact on the performance of the Target Fund.

For RMB-denominated Debt Securities issued, listed, or traded outside PRC (e.g., on the Central Moneymarkets Unit in Hong Kong), market depth may be limited, potentially resulting in reduced liquidity or even partial illiquidity of such securities. The Target Fund may suffer loss in trading such securities, in particular in circumstances where the Target Fund may have to liquidate such investments at a discount in order to meet redemption requests. The Target Fund may not be able to sell the securities at the time desired.

In addition, the bid and offer spread of the price of RMB-denominated Debt Securities may be large. Therefore, the Target Fund may incur significant trading and realisation costs and may suffer significant losses when selling such investments.

Investments in RMB-denominated Debt Securities are also subject to the general risks of investing in bonds, including, but not limited to interest-rate risks, creditworthiness risk, company specific risk, general market risk, risk of default and counterparty risk.

RMB-denominated Debt Securities are typically unsecured debt obligations and are not supported by any collateral. Investments in such securities will expose the Target Fund to the credit/insolvency risk of its counterparties as an unsecured creditor. RMB-denominated Debt Securities may be unrated. In general, debt instruments that have a lower credit rating or that are unrated may be more susceptible to the credit risk of the issuer.

Investments in Debt Securities issued by companies or bodies established within PRC may be affected by PRC tax policies. Current tax laws and regulations may also be amended or revised at any point in time and without prior notice to investors. Such amendments and revisions may also take effect on a retrospective basis, with a potentially adverse impact on such investments.

The Target Fund invests in the onshore Debt Securities which may be traded on the Shanghai or Shenzhen Stock Exchange or on the interbank bond markets. Investors should note that the securities markets in PRC generally and the onshore bond markets in particular are both at a developing stage and the market capitalisation and trading volume may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes in PRC's debt markets may result in prices of securities traded on such markets fluctuating significantly and may result in substantial volatility in the net asset value of the Target Fund. The bid and offer spreads of the prices of the Mainland Chinese Debt Securities may be large, so significant trading and realization costs may be incurred. The national regulatory and legal framework for capital markets and debt instruments

	<p>in PRC are still developing when compared with those of developed countries. Currently, PRC entities are undergoing reform with the intention of increasing liquidity of debt instruments. However, the effects of any development or reform on the PRC debt markets remain to be seen. The PRC bond markets are also subject to regulatory risks.</p> <p>Debt Securities may only be bought from, or sold to, the Target Fund from time to time where the relevant Debt Securities may be sold or purchased on the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the CIBM, as appropriate. Given that the bond markets are considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of the Target Fund's units may also be disrupted.</p>
<p>N/A</p>	<p><b>Sustainable strategy investment risk</b></p> <p>The Target Fund which follows a specific Sustainable Investment strategy (the "Sustainable Investment Strategy") apply either minimum exclusion criteria and/or certain (internal/external) rating assessments which may adversely affect the Target Fund's investment performance. The Target Fund's investment performance might be impacted and / or influenced by a sustainability risk since the execution of a Sustainable Investment Strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their characteristics when it might be disadvantageous to do so. The Target Fund which applies a Sustainable Investment Strategy may use one or more different third-party research data providers and/or internal analyses. In assessing the eligibility of an issuer based on research, there is a dependence upon information and data from third party research data providers and internal analyses, which may be subjective, incomplete, inaccurate, or unavailable. As a result, there is a risk to incorrectly or subjectively assess a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria resulting out of the research correctly or that Target Fund which follows a Sustainable Investment Strategy could have indirect exposure to issuers who do not meet the relevant criteria of the respective Sustainable Investment Strategy. There is a lack of standardized taxonomy of Sustainable Investments.</p> <p>In addition, the Target Fund which follows a specific Sustainable Investment Strategy focus on Sustainable Investments and have a limited / reduced investment universe which results in limited risk diversification compared to broadly investing funds. The more specific the respective sector and/or theme the Target Fund intends to invest in is (e.g., sustainable development goals ("SDGs") or other comparable societal goals) the more limited</p>

	<p>the Target Fund's investment universe and the more limited the risk diversification might be. A limited risk diversification can increase the impact of the development of individual securities acquired for the Target Fund. The Target Fund is likely to be more volatile than a fund that has a more diversified investment strategy. It may be more susceptible to fluctuations in value resulting from the impact of adverse conditions on these investments. In addition, the Target Fund which applies a specific Sustainable Investment Strategy may acquire equities of companies which are also related to other sectors and/or themes in case of companies being active in various sectors and/or themes. This may include equities of companies which are – at the time of acquisition – only related to a minor part to the respective SDGs or to the respective comparable societal goal if such companies - pursuant to the Investment Manager's discretionary assessment – will likely materially increase the importance of such segment of their business activities. This may result in deviations of the performance of the Target Fund compared to the performance of financial indices reflecting the respective SDG or the respective comparable societal goal. This may have an adverse impact on the performance of the Target Fund and consequently adversely affect an investor's investment in the Target Fund.</p> <p>The securities held by the Target Fund may be subject to style drift which no longer meet the Target Fund's investment criteria after the Target Fund's investments. The Management Company or Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the Target Fund's net asset value.</p>
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**14) Update on Dealing Information**

<b>Prior Disclosure</b>	<b>Revised Disclosure</b>
<p><b>WHO IS ELIGIBLE TO INVEST?</b></p> <ul style="list-style-type: none"> <li>➤ You must be eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the "Glossary" chapter of this Information Memorandum for the definition of "Sophisticated Investors".</li> </ul>	<p><b>WHO IS ELIGIBLE TO INVEST?</b></p> <ul style="list-style-type: none"> <li>➤ You must be at least eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the "Glossary" chapter of this Information Memorandum for the definition of "Sophisticated Investors".</li> <li>➤ Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:- <ul style="list-style-type: none"> <li>• redeem your Units of the Fund; or</li> <li>• transfer your Units to a non-US Person,</li> </ul> </li> </ul> <p>within thirty (30) days from the date of the said notice.</p>

Prior Disclosure	Revised Disclosure
<p><b>WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?</b></p> <ul style="list-style-type: none"> <li>➤ You will be paid within fourteen (14) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.</li> </ul>	<p><b>WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?</b></p> <ul style="list-style-type: none"> <li>➤ You will be paid within ten (10) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable (“Payment Period”). Please note that such Payment Period may be extended in the event of a temporarily suspension of dealing in Units or the calculation of the net asset value in of the Target Fund and/or its share class is deferred or the payment period of the Target Fund is extended.</li> </ul>
<p><b>WHAT IS COOLING-OFF RIGHT?</b></p> <ul style="list-style-type: none"> <li>➤ You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge of the particular Class, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.</li> </ul> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trust funds, you are not entitled to this right.</p>	<p><b>WHAT IS COOLING-OFF RIGHT?</b></p> <ul style="list-style-type: none"> <li>➤ You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.</li> <li>➤ You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge of the particular Class imposed on the day those Units were purchased. <ul style="list-style-type: none"> <li>(i) If the price of a Unit on the day the Units were first purchased (“original price”) is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), you will be refunded based on the market price at the point of cooling-off; or If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.</li> <li>(ii) If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.</li> </ul> </li> <li>➤ If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.</li> </ul> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trust funds, you are not entitled to this right.</p>

Prior Disclosure	Revised Disclosure
<p><b>SUSPENSION OF DEALING IN UNITS</b></p> <p>➤ The Trustee may suspend the dealing in Units requests:</p> <ul style="list-style-type: none"> <li>(i) where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders' meeting to decide on the next course of action; or</li> <li>(ii) without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed twenty-one (21) days of the commencement of the suspension.</li> </ul>	<p><b>SUSPENSION OF DEALING IN UNITS</b></p> <p>The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.</p> <p>The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.</p> <p>The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.</p>

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND ("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 financial year 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 Unlisted Capital Market Products under the Lodge and Launch Framework;
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 and on behalf of  
**TMF Trustees Malaysia Berhad**

**NORHAYATI BINTI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
20 December 2024



**AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

**FINANCIAL STATEMENTS**

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

# **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

## **FINANCIAL STATEMENTS**

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

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## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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</b>			
Dividend income		398,744	274,931
Interest income from financial assets at amortised cost		2,355	873
Net loss on foreign currency exchange		(1,957)	(17,194)
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	11	134,669	(151,413)
Net gain on financial asset at fair value through profit or loss	8	516,835	97,460
		1,050,646	204,657
<b>EXPENSES</b>			
Management fee	4	(107,371)	(85,571)
Trustee fee	5	(2,873)	(2,282)
Auditors' remuneration		(1,677)	(1,690)
Tax agent's fee		(735)	(740)
Other expenses		(3,386)	(3,450)
		(116,042)	(93,733)
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>		934,604	110,924
<b>FINANCE COST</b>			
Distributions	6	(388,444)	(271,030)
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		546,160	(160,106)
Taxation	7	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		546,160	(160,106)

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
Increase/(decrease) in net assets attributable to unit holders is made up of the following:			
Realised amount		107,208	(441,270)
Unrealised amount		438,952	281,164
		<u>546,160</u>	<u>(160,106)</u>

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

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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	478,704	369,371
Amount due from broker		115,342	-
Amount due from Manager			
- creation of units		86,468	22,493
- management fee rebate receivable		8,617	4,675
Financial assets at fair value through profit or loss	8	10,000,141	5,014,715
Forward foreign currency contracts at fair value through profit or loss	11	18,646	-
<b>TOTAL ASSETS</b>		10,707,918	5,411,254
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	11	41,168	69,498
Amount due to Manager			
- management fee		12,738	6,722
- cancellation of units		67,454	3,003
Amount due to Trustee		340	179
Auditors' remuneration		1,787	1,801
Tax agent's fee		737	740
Other payables and accruals		1,459	1,594
Tax provision		2,851	2,851
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		128,534	86,388
<b>NET ASSET VALUE OF THE FUND</b>		10,579,384	5,324,866
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		10,579,384	5,324,866

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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>			
- AUD Hedged-class		390,141	552,959
- EUR Hedged-class		586,933	411,028
- GBP Hedged-class		318,525	122,752
- MYR Class		1,272,892	564,949
- MYR Hedged-class		2,521,655	1,877,634
- SGD Hedged-class		2,034,981	230,049
- USD Class		3,454,257	1,565,495
		<u>10,579,384</u>	<u>5,324,866</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- AUD Hedged-class	10 (a)	1,269,000	1,952,000
- EUR Hedged-class	10 (b)	1,344,000	1,005,000
- GBP Hedged-class	10 (c)	553,000	242,000
- MYR Class	10 (d)	11,950,000	5,680,000
- MYR Hedged-class	10 (e)	22,294,000	18,837,000
- SGD Hedged-class	10 (f)	6,205,000	758,000
- USD Class	10 (g)	7,345,000	3,563,000
		<u>50,960,000</u>	<u>32,037,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- AUD Hedged-class		0.3074	0.2833
- EUR Hedged-class		0.4367	0.4090
- GBP Hedged-class		0.5760	0.5072
- MYR Class		0.1065	0.0995
- MYR Hedged-class		0.1131	0.0997
- SGD Hedged-class		0.3280	0.3035
- USD Class		0.4703	0.4394
		<u>0.4703</u>	<u>0.4394</u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>REPRESENTED BY: (CONTINUED)</b>			
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD Hedged-class		AUD0.4674	AUD0.4448
- EUR Hedged-class		EUR0.4028	EUR0.3834
- GBP Hedged-class		GBP0.4431	GBP0.4161
- MYR Class		RM0.4661	RM0.4736
- MYR Hedged-class		RM0.4949	RM0.4746
- SGD Hedged-class		SGD0.4338	SGD0.4143
- USD Class		<u>USD0.4703</u>	<u>USD0.4394</u>

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

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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>	5,324,866	6,312,384
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	9,551,906	5,215,649
- AUD Hedged-class	385,037	257,185
- EUR Hedged-class	285,912	327,429
- GBP Hedged-class	248,294	25,347
- MYR Class	1,957,226	324,757
- MYR Hedged-class	1,982,855	3,100,487
- SGD Hedged-class	2,532,034	543,157
- USD Class	2,160,548	637,287
Creation of units arising from distributions	340,150	215,017
- AUD Hedged-class	32,570	27,263
- EUR Hedged-class	26,845	11,433
- GBP Hedged-class	13,790	8,267
- MYR Class	50,608	20,131
- MYR Hedged-class	85,597	79,176
- SGD Hedged-class	36,539	9,330
- USD Class	94,201	59,417
Cancellation of units	(5,183,698)	(6,258,078)
- AUD Hedged-class	(632,074)	(283,939)
- EUR Hedged-class	(165,484)	(60,240)
- GBP Hedged-class	(90,161)	(161,852)
- MYR Class	(1,357,118)	(1,543,192)
- MYR Hedged-class	(1,729,422)	(2,808,655)
- SGD Hedged-class	(751,218)	(598,686)
- USD Class	(458,221)	(801,514)



## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

	<u>2024</u> USD	<u>2023</u> USD
Net increase/(decrease) in net assets attributable to unit holders during the financial year	546,160	(160,106)
- AUD Hedged-class	51,649	(15,007)
- EUR Hedged-class	28,632	(13,632)
- GBP Hedged-class	23,850	8,578
- MYR Class	57,227	(16,053)
- MYR Hedged-class	304,990	(119,832)
- SGD Hedged-class	(12,422)	11,148
- USD Class	92,234	(15,308)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<b>10,579,384</b>	<b>5,324,866</b>

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

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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		3,080,226	5,468,145
Purchase of investments		(7,340,000)	(4,150,000)
Interest received		2,355	873
Management fee rebate received		70,643	42,883
Management fee paid		(101,355)	(86,734)
Trustee fee paid		(2,712)	(2,313)
Payment for other fees and expenses		(5,950)	(6,323)
Realised gain/(loss) on forward foreign currency contracts		87,693	(156,786)
Net realised loss on foreign currency exchange		(1,807)	(17,848)
		(4,210,907)	1,091,897
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		9,487,931	5,211,492
Payments for cancellation of units		(5,119,247)	(6,313,789)
Payments for distributions		(48,294)	(56,013)
		4,320,390	(1,158,310)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		109,483	(66,413)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(150)	654
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		369,371	435,130
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	9	478,704	369,371

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

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

### **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.

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (continued)

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.

#### **B INCOME RECOGNITION**

##### Dividend income

Dividend income from financial asset 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 gain and loss on sale of investments

For collective investment scheme ("CIS"), realised gain and loss 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 DISTRIBUTION**

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

#### **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.

#### **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 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.

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

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

(i) Classification (continued)

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

The Fund classifies cash and cash equivalents, amount due from broker 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 Trustee, payable for 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.

Gain or loss arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign currency exchange 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.

Investment in CIS 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, except forward foreign currency contracts, are subsequently carried at amortised cost using the effective interest method.

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### G 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 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 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 reorganization; and
- the debtor is insolvent.

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

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

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

(iii) Impairment (continued)

##### 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 year.

#### **H 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.

#### **I CREATION AND CANCELLATION OF UNITS**

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

The Fund issues cancellable units, in seven classes of units, known respectively as the AUD Hedged-class, EUR Hedged-class, GBP Hedged-class, MYR Class, MYR Hedged-class, SGD Hedged-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.

#### **J INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

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



## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

#### **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 profit or loss 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 with positive fair value and negative fair value are presented as financial assets measured at fair value through profit or loss and financial liabilities measured at 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 statements 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 measured at fair value through profit or loss.

#### **L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 judgements 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 WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

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

##### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement 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 Fund's sole investment is in a CIS denominated in USD.
- (ii) Significant portion of the Fund's expenses are denominated in USD.

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

The analysis of realised and unrealised portions of increase or decrease 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 WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

### **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 World Series – US Short Duration High Income Fund (the “Fund”) pursuant to the execution of a Deed dated 4 January 2017, Supplemental Deed dated 7 December 2017, Second Supplemental Deed dated 26 January 2018 and Third Supplemental Deed dated 16 November 2023 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund issued one new class of units in European Euro (“EUR”) as amended by Second Supplemental Deed dated 26 January 2018. The Fund has changed its name from Affin Hwang World Series – US Short Duration High Income Fund to AHAM World Series – US Short Duration High Income Fund as amended by the Third Supplemental Deed dated 16 November 2023.

The Fund commenced operations on 3 March 2017 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 Deed, the Fund’s objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Collective investment scheme;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) 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 regular income through investments in US high yield bonds.

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.

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

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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 <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	478,704	-	478,704
Amount due from broker		115,342	-	115,342
Amount due from Manager				
- creation of units		86,468	-	86,468
- management fee rebate receivable		8,617	-	8,617
Collective investment scheme	8	-	10,000,141	10,000,141
Forward foreign currency contracts	11	-	18,646	18,646
Total		<u>689,131</u>	<u>10,018,787</u>	<u>10,707,918</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	41,168	41,168
Amount due to Manager				
- management fee		12,738	-	12,738
- cancellation of units		67,454	-	67,454
Amount due to Trustee		340	-	340
Auditor's remuneration		1,787	-	1,787
Tax agent's fee		737	-	737
Other payables and accruals		1,459	-	1,459
Total		<u>84,515</u>	<u>41,168</u>	<u>125,683</u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	369,371	-	369,371
Amount due from Manager				
- creation of units		22,493	-	22,493
- management fee rebate receivable		4,675	-	4,675
Collective investment scheme	8	-	5,014,715	5,014,715
		<u>396,539</u>	<u>5,014,715</u>	<u>5,411,254</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	69,498	69,498
Amount due to Manager				
- management fee		6,722	-	6,722
- cancellation of units		3,003	-	3,003
Amount due to Trustee		179	-	179
Auditor's remuneration		1,801	-	1,801
Tax agent's fee		740	-	740
Other payables and accruals		1,594	-	1,594
		<u>14,039</u>	<u>69,498</u>	<u>83,537</u>

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

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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

##### (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.

	<u>2024</u> USD	<u>2023</u> USD
<b>Quoted investment</b>		
Collective investment scheme	10,000,141	5,014,715

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 3% (2023: 5%) and decreased by 3% (2023: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the collective investment scheme, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	Impact on profit/(loss) after <u>tax/NAV</u> USD
<u>2024</u>		
-3%	9,700,137	(300,004)
0%	10,000,141	-
+3%	10,300,145	300,004
<u>2023</u>		
-5%	4,763,979	(250,736)
0%	5,014,715	-
+5%	5,265,451	250,736

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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)

##### (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.

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable 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:

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2024</u>				
<u>Financial assets</u>				
Australian Dollar	-	39,429	66	39,495
British Pound Sterling	-	43,504	-	43,504
Euro	1,965	1,295	-	3,260
Malaysian Ringgit	15,703	138,459	86,402	240,564
Singapore Dollar	978	199,201	-	200,179
	<u>18,646</u>	<u>421,888</u>	<u>86,468</u>	<u>527,002</u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unit holders</u> USD	<u>Total</u> USD
<u>2024</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	1,533	36,315	390,141	427,989
British Pound Sterling	2,973	-	318,525	321,498
Euro	-	133	586,933	587,066
Malaysian Ringgit	11,361	34,778	3,794,547	3,840,686
Singapore Dollar	25,301	-	2,034,981	2,060,282
	<u>41,168</u>	<u>71,226</u>	<u>7,125,127</u>	<u>7,237,521</u>

\*Other liabilities consist of amount due to Manager, payables for auditors' remuneration, tax agent's fee and other payables and accruals.

	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>			
<u>Financial assets</u>			
Australian Dollar	23,050	-	23,050
British Pound Sterling	16,208	-	16,208
Euro	69,973	-	69,973
Malaysian Ringgit	15,829	22,493	38,322
Singapore Dollar	2,206	-	2,206
	<u>127,266</u>	<u>22,493</u>	<u>149,759</u>



## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unit holders</u> USD	<u>Total</u> USD
<u>2023</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	12,927	-	552,959	565,886
British Pound Sterling	5,640	-	122,752	128,392
Euro	3,703	-	411,028	414,731
Malaysian Ringgit	45,548	7,317	2,442,583	2,495,448
Singapore Dollar	1,680	-	230,049	231,729
	<u>69,498</u>	<u>7,317</u>	<u>3,759,371</u>	<u>3,836,186</u>

\*Other liabilities consist of amount due to Manager, payables for auditors' remuneration, tax agent's fee and other payables and accruals.

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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/(loss) after tax and net asset value 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 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 profit/(loss) after tax/NAV USD
<u>2024</u>		
Australian Dollar	+/- 8.52	-/+ 33,100
British Pound Sterling	+/- 6.39	-/+ 17,764
Euro	+/- 6.03	-/+ 35,204
Malaysian Ringgit	+/- 6.61	-/+ 237,968
Singapore Dollar	+/- 4.21	-/+ 78,310
<u>2023</u>		
Australian Dollar	+/- 12.81	-/+ 69,537
British Pound Sterling	+/- 9.74	-/+ 10,927
Euro	+/- 8.72	-/+ 30,063
Malaysian Ringgit	+/- 6.43	-/+ 157,993
Singapore Dollar	+/- 5.38	-/+ 12,348

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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

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 payment 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.

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

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>2024</u>			
Forward foreign currency contracts at fair value through profit or loss	4,632	36,536	41,168
Amount due to Manager			
- management fee	12,738	-	12,738
- cancellation of units	67,454	-	67,454
Amount due to Trustee	340	-	340
Auditors' remuneration	-	1,787	1,787
Tax agent's fee	-	737	737
Other payables and accruals	-	1,459	1,459
Net asset attributable to unit holders*	10,579,384	-	10,579,384
	<u>10,664,548</u>	<u>40,519</u>	<u>10,705,067</u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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. (continued)

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	32,705	36,793	69,498
Amount due to Manager			
- management fee	6,722	-	6,722
- cancellation of units	3,003	-	3,003
Amount due to Trustee	179	-	179
Auditors' remuneration	-	1,801	1,801
Tax agent's fee	-	740	740
Other payables and accruals	-	1,594	1,594
Net asset attributable to unit holders*	5,324,866	-	5,324,866
	<u>5,367,475</u>	<u>40,928</u>	<u>5,408,403</u>

\* Outstanding units are redeemed on demand at the unit holders' option (Note I). 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.

##### 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 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.

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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)

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

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from broker</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2024</u>					
Financial services					
- AAA	15,815	478,704	-	-	494,519
- Non-rated (“NR”)	2,831	-	-	-	2,831
Others					
- NR	-	-	115,342	95,085	210,427
	<u>18,646</u>	<u>478,704</u>	<u>115,342</u>	<u>95,085</u>	<u>707,777</u>
<u>2023</u>					
Financial services					
- AA1	-	369,371	-	-	369,371
Others					
- NR	-	-	-	27,168	27,168
	<u>-</u>	<u>369,371</u>	<u>-</u>	<u>27,168</u>	<u>396,539</u>

##### 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.

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 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.

##### (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 judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement 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 WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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 and financial liabilities (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 asset at fair value through profit or loss				
- collective investment scheme	10,000,141	-	-	10,000,141
- forward foreign currency contracts	-	18,646	-	18,646
	<u>10,000,141</u>	<u>18,646</u>	<u>-</u>	<u>10,018,787</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	41,168	-	41,168
	<u>-</u>	<u>41,168</u>	<u>-</u>	<u>41,168</u>
<u>2023</u>				
Financial asset at fair value through profit or loss				
- collective investment scheme	5,014,715	-	-	5,014,715
	<u>5,014,715</u>	<u>-</u>	<u>-</u>	<u>5,014,715</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	69,498	-	69,498
	<u>-</u>	<u>69,498</u>	<u>-</u>	<u>69,498</u>

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

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

#### **3 FAIR VALUE ESTIMATION (CONTINUED)**

(i) Fair value hierarchy (continued)

Investments whose values are based on published market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the published 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 include 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 broker and amount due from Manager and all current liabilities, except for forward foreign currency contracts, are a reasonable approximation of the fair values due to their short-term nature.

#### **4 MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 3.00% 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 1.50% (2023: 1.50%) 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 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 0.04% (2023: 0.04%) 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 recognised above.



## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 6 DISTRIBUTIONS

	<u>2024</u> USD	<u>2023</u> USD
Net distribution amount	<u>388,444</u>	<u>271,030</u>

During the financial year ended 31 October 2024, distributions were made as follows:

	Gross/Net distribution per unit (sen/cent)						
	AUD	EUR	GBP	MYR	MYR	SGD	USD
	Hedged- class AUD	Hedged- class EUR	Hedged- class GBP	MYR Class RM	Hedged- class RM	Hedged- class SGD	USD Class USD
<u>2024</u>							
21.11.2023	0.206	0.179	0.195	0.221	0.221	0.194	0.210
21.12.2023	0.199	0.172	0.186	0.177	0.208	0.185	0.198
22.01.2024	0.150	0.170	0.190	0.200	0.210	0.180	0.190
22.02.2024	0.234	0.201	0.193	0.251	0.210	0.218	0.232
22.03.2024	0.233	0.201	0.185	0.249	0.210	0.217	0.232
22.04.2024	0.232	0.200	0.185	0.200	0.210	0.183	0.230
23.05.2024	0.233	0.165	0.170	0.220	0.210	0.180	0.230
24.06.2024	0.230	0.110	0.190	0.175	0.210	0.120	0.200
22.07.2024	0.230	0.170	0.190	0.240	0.220	0.190	0.230
22.08.2024	0.230	0.200	0.220	0.230	0.190	0.220	0.230
23.09.2024	0.230	0.200	0.210	0.220	0.240	0.210	0.180
22.10.2024	0.230	0.190	0.210	0.220	0.240	0.200	0.155
	2.637	2.158	2.324	2.603	2.579	2.297	2.517
	2.637	2.158	2.324	2.603	2.579	2.297	2.517

	Gross/Net distribution (USD)						
	AUD	EUR	GBP	MYR	MYR	SGD	USD
	Hedged- class	Hedged- class	Hedged- class	MYR Class	Hedged- class	Hedged- class	USD Class
<u>Ex-date</u>							
21.11.2023	2,639	1,969	592	2,685	9,762	1,100	7,482
21.12.2023	2,634	1,901	841	3,410	9,507	1,239	7,093
22.01.2024	2,433	1,878	869	4,134	9,729	2,243	6,775
22.02.2024	3,580	1,747	1,150	4,253	8,843	4,414	8,663
22.03.2024	3,285	1,750	1,204	4,898	8,626	4,537	8,505
22.04.2024	3,247	2,569	1,096	4,549	9,373	3,806	8,036
23.05.2024	3,382	2,344	1,140	4,978	9,601	3,796	7,572
24.06.2024	3,000	1,551	1,158	4,762	9,657	2,552	6,616
22.07.2024	2,030	2,442	1,353	6,775	10,083	1,280	7,542
22.08.2024	2,059	2,952	1,383	5,438	10,689	1,605	8,036
23.09.2024	2,093	2,956	1,468	5,818	12,485	1,557	11,871
22.10.2024	2,120	2,750	1,498	6,129	12,181	9,347	11,349
	32,502	26,809	13,752	57,829	120,536	37,476	99,540
	32,502	26,809	13,752	57,829	120,536	37,476	99,540

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 6 DISTRIBUTIONS (CONTINUED)

During the financial year ended 31 October 2023, distributions were made as follows:

	Gross/Net distribution per unit (sen/cent)						
	AUD	EUR	GBP	MYR	MYR	SGD	USD
	Hedged- class	Hedged- class	Hedged- class	Class	Hedged- class	Hedged- class	Class
AUD	EUR	GBP	RM	RM	SGD	USD	
<u>2023</u>							
21.11.2022	0.17	0.15	0.15	0.17	0.18	0.17	0.17
21.12.2022	0.17	0.16	0.17	0.17	0.17	0.17	0.17
20.01.2023	0.20	0.15	0.18	0.22	0.21	0.16	0.18
17.02.2023	0.17	0.16	0.17	0.17	0.17	0.17	0.17
17.03.2023	0.19	0.16	0.18	0.19	0.20	0.18	0.18
19.04.2023	0.19	0.16	0.17	0.19	0.20	0.17	0.19
17.05.2023	0.19	0.16	0.17	0.19	0.20	0.17	0.18
21.06.2023	0.19	0.16	0.18	0.20	0.20	0.18	0.19
21.07.2023	0.19	0.09	0.17	0.19	0.21	0.17	0.17
22.08.2023	0.18	0.16	0.17	0.19	0.21	0.17	0.19
20.09.2023	0.16	0.13	0.14	0.16	0.21	0.10	0.15
20.10.2023	0.21	0.19	0.20	0.23	0.25	0.22	0.21
	<u>2.21</u>	<u>1.83</u>	<u>2.05</u>	<u>2.27</u>	<u>2.41</u>	<u>2.03</u>	<u>2.15</u>

	Gross/Net distribution (USD)						
	AUD	EUR	GBP	MYR	MYR	SGD	USD
	Hedged- class	Hedged- class	Hedged- class	Class	Hedged- class	Hedged- class	Class
<u>Ex-date</u>							
21.11.2022	2,179	569	877	3,363	6,221	1,083	6,460
21.12.2022	2,208	632	992	2,779	5,782	1,109	3,886
20.01.2023	2,708	608	1,073	3,120	14,237	1,068	4,199
17.02.2023	2,276	681	984	2,206	10,908	1,121	3,982
17.03.2023	2,509	706	1,034	2,441	10,457	1,166	4,346
19.04.2023	2,529	682	401	1,990	13,284	950	4,416
17.05.2023	2,496	667	400	1,873	13,007	941	4,313
21.06.2023	2,577	816	481	1,790	9,205	2,448	6,547
21.07.2023	1,391	992	468	1,809	8,393	2,594	6,344
22.08.2023	1,771	1,712	514	1,524	8,090	1,727	6,495
20.09.2023	1,955	1,408	424	1,222	8,216	322	5,422
20.10.2023	2,588	1,959	593	2,564	9,984	1,211	7,555
	<u>27,187</u>	<u>11,432</u>	<u>8,241</u>	<u>26,681</u>	<u>117,784</u>	<u>15,740</u>	<u>63,965</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation for the respective classes.

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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/(loss) 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/(loss) before taxation	546,160	(160,106)
Tax at Malaysian statutory rate of 24% (2023: 24%)	131,078	(38,425)
Tax effects of:		
Investment income not subject to tax	(234,255)	(34,744)
Expenses not deductible for tax purposes	94,906	66,600
Restriction on tax deduction expenses for Wholesale Fund	8,271	6,569
Tax expense	-	-

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

	<u>2024</u> USD	<u>2023</u> USD
Financial asset at fair value through profit or loss		
- collective investment scheme - foreign	10,000,141	5,014,715
Net gain on financial asset at fair value through profit or loss		
- realised gain/(loss) on sales of investments	50,124	(237,569)
- unrealised gain on changes in fair value	392,126	275,137
- management fee rebate on collective investment scheme #	74,585	59,892
	516,835	97,460

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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 scheme, the management fee initially paid to the Manager of collective investment scheme 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 scheme have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

(a) Collective investment scheme - foreign

(i) Collective investment scheme - 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>
Allianz US Short Duration High Income Bond – Class AM (USD) Dis.	1,039,580	9,767,573	10,000,141	94.52
Total collective investment scheme - foreign	<u>1,039,580</u>	<u>9,767,573</u>	<u>10,000,141</u>	<u>94.52</u>
Accumulated unrealised gain on collective investment scheme - foreign		<u>232,568</u>		
Total collective investment scheme - foreign		<u>10,000,141</u>		

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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)

(a) Collective investment scheme – foreign (continued)

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

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
Allianz US Short Duration High Income Bond – Class AM (USD) Dis.	561,929	5,174,273	5,014,715	94.18
Total collective investment scheme - foreign	<u>561,929</u>	5,174,273	<u>5,014,715</u>	<u>94.18</u>
Accumulated unrealised loss on collective investment scheme - foreign		(159,558)		
Total collective investment scheme - foreign		<u>5,014,715</u>		

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 31 October 2024 is as follows:

	<u>Percentage of Target Fund's NAV %</u>
6.1250% MGM Resorts Intl 15.09.2029	2.6
8.0000% Univision Communications - 144A 15.08.2028	2.5
8.5000% CVR Energy Inc - 144A 15.01.2029	2.5
5.7500% Wash Multifam Acq Inc - 144A 15.04.2026	2.3
9.5000% Vistajet Malta/VM Holdings - 144A 01.06.2028	2.2
9.0000% Mobius Merger Sub - 144A 01.06.2030	2.1
9.3750% Amerigas Part/Finance Corp - 144A 01.06.2028	2.0
8.7500% Global Air Lease Co Ltd - 144A 01.09.2027	2.0
6.8750% Buckeye Partners LP - 144A 01.07.2029	1.9
6.1250% LD Holdings Group LLC - 144A 01.04.2028	1.8
Total	<u>21.9</u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

### 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) Target Fund's top 10 holdings (continued)

(ii) The Target Fund's top 10 holdings as at 31 October 2023 is as follows:

	<u>Percentage of Target Fund's NAV</u> %
8.1250% Venture Global LNG Inc - 144A 01.06.2028	3.4
8.0000% Univision Communications - 144A 15.08.2028	2.9
8.0000% New Fortress Energy Inc - 144A 15.09.2025	2.6
9.5000% Goodyear Tire & Rubber 31.05.2025	2.3
8.7500% Albion Financing 2 SARL - 144A 15.04.2027	2.3
7.0000% Bread Financial Holdings, Inc - 144A 15.01.2026	2.3
6.5000% Mileage Plus Holdings LLC - 144A 20.06.2027	2.3
8.0000% Uber Technologies Inc - 144A 01.11.2026	2.3
5.2500% Dish DBS Corporation - 144A 01.12.2026	2.1
9.3750% AmeriGas Finance Corp - 144A 01.06.2028	2.1
Total	<u>24.6</u>

#### 9 CASH AND CASH EQUIVALENTS

	<u>2024</u> USD	<u>2023</u> USD
Cash and bank balance	345,829	369,371
Deposit with a licensed financial institution	132,875	-
	<u>478,704</u>	<u>369,371</u>

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

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

Deposit with a licensed financial institution has an average remaining maturity period of 1 day (2023: Nil).

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 10 NUMBER OF UNITS IN CIRCULATION

(a)	AUD Hedged-class units in circulation	<u>2024</u>	<u>2023</u>
		No. of units	No. of units
	At the beginning of the financial year	1,952,000	1,939,000
	Creation of units arising from applications	1,272,761	851,161
	Creation of units arising from distributions	106,435	90,035
	Cancellation of units	<u>(2,062,196)</u>	<u>(928,196)</u>
	At the end of the financial year	<u><u>1,269,000</u></u>	<u><u>1,952,000</u></u>
(b)	EUR Hedged-class units in circulation	<u>2024</u>	<u>2023</u>
		No. of units	No. of units
	At the beginning of the financial year	1,005,000	371,000
	Creation of units arising from applications	665,547	750,968
	Creation of units arising from distributions	61,789	27,196
	Cancellation of units	<u>(388,336)</u>	<u>(144,164)</u>
	At the end of the financial year	<u><u>1,344,000</u></u>	<u><u>1,005,000</u></u>
(c)	GBP Hedged-class units in circulation	<u>2024</u>	<u>2023</u>
		No. of units	No. of units
	At the beginning of the financial year	242,000	495,000
	Creation of units arising from applications	448,890	47,295
	Creation of units arising from distributions	24,656	15,983
	Cancellation of units	<u>(162,546)</u>	<u>(316,278)</u>
	At the end of the financial year	<u><u>553,000</u></u>	<u><u>242,000</u></u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(d) MYR Class units in circulation		
	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	5,680,000	17,694,000
Creation of units arising from applications	18,772,424	3,223,457
Creation of units arising from distributions	483,879	200,659
Cancellation of units	(12,986,303)	(15,438,116)
At the end of the financial year	<u>11,950,000</u>	<u>5,680,000</u>
(e) MYR Hedged-class units in circulation		
	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	18,837,000	15,604,000
Creation of units arising from applications	18,474,579	28,510,581
Creation of units arising from distributions	798,121	735,309
Cancellation of units	(15,815,700)	(26,012,890)
At the end of the financial year	<u>22,294,000</u>	<u>18,837,000</u>
(f) SGD Hedged-class units in circulation		
	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	758,000	881,000
Creation of units arising from applications	7,673,403	1,740,733
Creation of units arising from distributions	113,596	29,605
Cancellation of units	(2,339,999)	(1,893,338)
At the end of the financial year	<u>6,205,000</u>	<u>758,000</u>



## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(g) USD Class units in circulation

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	3,563,000	3,800,000
Creation of units arising from applications	4,576,360	1,442,352
Creation of units arising from distributions	204,331	133,720
Cancellation of units	(998,691)	(1,813,072)
At the end of the financial year	<u>7,345,000</u>	<u>3,563,000</u>

#### 11 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 17 (2023: 16) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD5,828,734 (2023: USD3,288,848). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the different hedged-classes denominated in Australian Dollar, Euro, British Pound Sterling, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward currency contracts is recognised immediately in profit or loss.

	<u>2024</u>	<u>2023</u>
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	<u>18,646</u>	<u>-</u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>41,168</u>	<u>69,498</u>
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss		
- realised gain/(loss) on forward foreign currency contracts	87,693	(156,786)
- unrealised gain on changes in fair value	46,976	5,373
	<u>134,669</u>	<u>(151,413)</u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 11 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 31 October 2024 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
CIMB Bank Bhd	880,770	871,553	9,217	0.09
Hong Leong Bank Bhd	304,169	307,915	(3,746)	(0.04)
J.P. Morgan Chase Bank Bhd	2,832,021	2,857,749	(25,728)	(0.24)
Standard Chartered Bank Malaysia Bhd	1,789,252	1,791,517	(2,265)	(0.02)
	<u>5,806,212</u>	<u>5,828,734</u>	<u>(22,522)</u>	<u>(0.21)</u>
Total forward foreign currency contracts				

(ii) Forward foreign currency contracts as at 31 October 2023 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd	188,853	196,568	(7,715)	(0.15)
CIMB Bank Bhd	312,521	323,736	(11,215)	(0.21)
Hong Leong Bank Bhd	624,966	652,031	(27,065)	(0.51)
J.P. Morgan Chase Bank Bhd	783,231	788,442	(5,211)	(0.10)
Standard Chartered Bank Malaysia Bhd	1,309,779	1,328,071	(18,292)	(0.34)
	<u>3,219,350</u>	<u>3,288,848</u>	<u>(69,498)</u>	<u>(1.31)</u>
Total forward foreign currency contracts				

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 12 TRANSACTIONS WITH BROKER

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

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
State Street Bank	10,535,568	100.00
	<u>                    </u>	<u>                    </u>

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

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
State Street Bank	9,618,145	100.00
	<u>                    </u>	<u>                    </u>

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 13 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”)	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 WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

#### 13 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:

	2024		2023	
The Manager:	No. of units	USD	No. of units	USD
AHAM Asset Management Berhad (The units are held legally for booking purposes)				
- AUD Hedged-class	3,677	1,130	2,965	840
- EUR Hedged-class	3,490	1,524	3,048	1,247
- GBP Hedged-class	2,608	1,502	2,715	1,377
- MYR Class	3,822	407	3,536	352
- MYR Hedged-class	2,971	336	3,054	304
- SGD Hedged-class	2,949	967	2,866	870
- USD Class	2,136	1,005	2,855	1,254

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

#### 14 TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	1.62	1.64

TER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	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 USD7,172,412 (2023: USD5,702,787).

## AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

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

	<u>2024</u>	<u>2023</u>
PTR (times)	0.76	0.89

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 = USD7,738,744 (2023: USD4,424,931)  
total disposal for the financial year = USD3,145,444 (2023: USD5,705,714)

## **AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND**

### **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 44 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 then 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 WORLD SERIES - US SHORT DURATION  
HIGH INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM World Series – US Short Duration High Income Fund (“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 44.

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  
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**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM WORLD SERIES - US SHORT DURATION  
HIGH INCOME FUND (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 controls 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, 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 WORLD SERIES - US SHORT DURATION  
HIGH INCOME FUND (CONTINUED)

REPORT ON 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 WORLD SERIES - US SHORT DURATION  
HIGH INCOME FUND (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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