



ANNUAL REPORT
19 December 2023

**AHAM Target
Maturity Income Fund**
(Formerly known as
Affin Hwang Target
Maturity Income Fund)

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

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

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**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME
FUND)**

**Annual Reports and Audited Financial Statements
For The Financial Period From 1 September 2022 to 19 December 2023 (Date of
Maturity)**

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FUND INFORMATION

Fund Name	AHAM Target Maturity Income Fund (Formerly known as Affin Hwang Target Maturity Income Fund)
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide income through investments in fixed income instruments
Duration of the Fund	Three and a half (3.5) years close-ended Fund
Termination Date	19 December 2023
Benchmark	3-years Malayan Banking Berhad fixed deposit rate as at Investment Date
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis and the first income distribution will be made on the eighteen (18) months from the Investment Date.

FUND PERFORMANCE DATA

Category	As at 19 Dec 2023 (%)	As at 31 Aug 2022 (%)	As at 31 Aug 2021 (%)
Portfolio composition			
Unquoted fixed income securities – local	-	20.18	4.12
Unquoted fixed income securities – foreign	-	78.00	89.60
Total unquoted fixed income securities	-	98.18	93.72
Cash & cash equivalent	100.00	1.82	6.28
Total	100.00	100.00	100.00
Total NAV (RM'million)	87.3266	95.603	125.010
NAV per Unit (RM)	0.7803	0.8503	1.1106
Unit in Circulation (million)	111.9080	112.429	112.561
Highest NAV	0.8568	1.1113	1.1106
Lowest NAV	0.7658	0.8213	1.0000
Return of the Fund (%)	0.53	-19.69	11.06
- Capital Growth (%)	-8.23	-23.44	11.06
- Income Distribution (%)	9.55	4.89	Nil
Gross Distribution per Unit (sen)	8.04	4.89	Nil
Net Distribution per Unit (sen)	7.60	4.89	Nil
Total Expense Ratio (%) ¹	0.13	0.10	0.12
Portfolio Turnover Ratio (times) ²	1.08	0.48	0.83

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

¹ The TER of the Fund increased due to a decrease in average NAV of the Fund during the financial year under review

² The PTR of the Fund increased due to increased trading activities during the financial year under review

Income Distribution / Unit Split

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
18-Dec-23	19-Dec-23	0.8112	0.0310	0.7803
18-Dec-22	19-Dec-22	0.8526	0.0450	0.8064
19-Dec-21	20-Dec-21	1.0500	0.0489	1.0005

No unit split were declared for the financial year ended 19 December 2023.

Income Distribution / Unit Split

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	19-Dec-23	3.1000	100	-	-
MYR	19-Dec-22	4.5000	100	-	-
MYR	20-Dec-21	4.8925	100	-	-

Fund Performance

Table 1: Performance of the Fund

	For the Period (1/9/22 - 19/12/23)	1 Year (20/12/22 - 19/12/23)	3 Years (20/12/20 - 19/12/23)	Since Commencement (19/6/20 - 19/12/23)
Fund	0.74%	0.61%	(16.14%)	(10.15%)
Benchmark	2.48%	1.90%	5.81%	6.82%
Outperformance	(1.74%)	(1.29%)	(21.95%)	(16.97%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	For the Period (1/9/22 - 19/12/23)	1 Year (20/12/22 - 19/12/23)	3 Years (20/12/20 - 19/12/23)	Since Commencement (19/6/20 - 19/12/23)
Fund	0.57%	0.61%	(5.70%)	(3.01%)
Benchmark	1.90%	1.90%	1.90%	1.90%
Outperformance	(1.33%)	(1.29%)	(7.60%)	(4.91%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/9/22 - 19/12/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (19/6/20 - 31/8/21)
Fund	0.74%	(19.69%)	11.06%
Benchmark	2.48%	1.90%	2.29%
Outperformance	(1.74%)	(21.59%)	8.77%

Source of Benchmark: Bloomberg

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

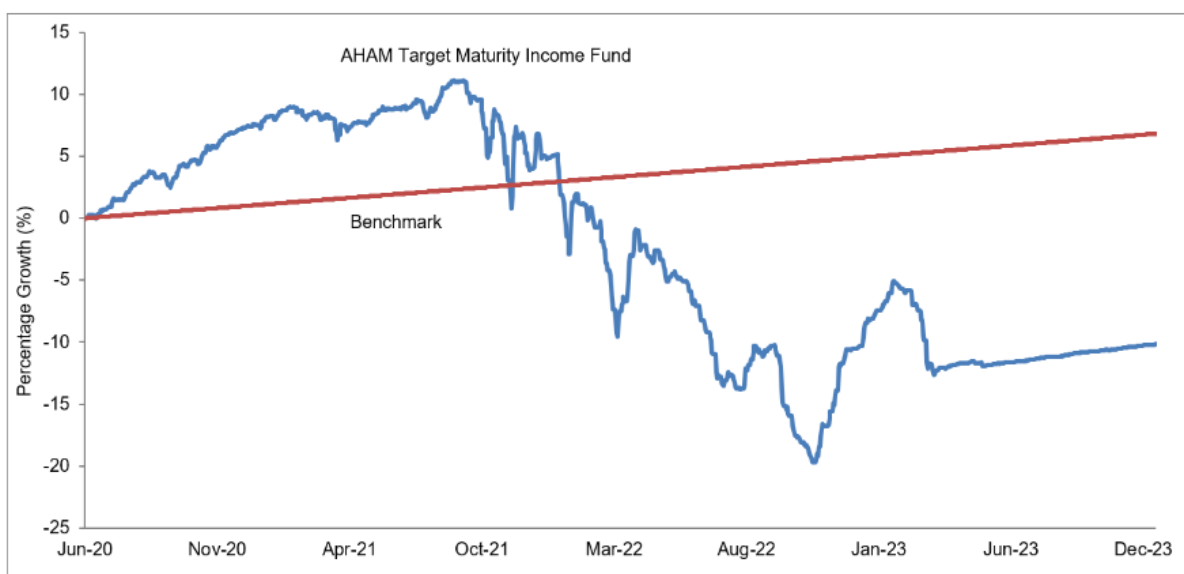
MANAGER'S REPORT

Performance Review (1 September 2022 to 19 December 2023)

For the period 1 September 2022 to 19 December 2023, the Fund registered a return of 0.74% compared to the benchmark return of 2.48%. The Fund thus underperformed the Benchmark by 1.74%. The Net Asset Value (NAV) per unit of the Fund as at 19 December 2023 was RM0.7803 while the NAV per unit on 31 August 2022 was RM0.8503. During the period under review, the Fund has declared a total net income distribution of RM0.076 per unit.

Since commencement, the Fund has registered a return of -10.15% compared to the benchmark return of 6.82%, underperforming by 16.97%.

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



"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
Benchmark: 3-years Malayan Banking Berhad fixed deposit rate as at Investment Date

Asset Allocation

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

As at the Fund's Maturity on 19 December 2023, all investments of the Fund were liquidated and all proceeds returned accordingly to investors.

Strategy Employed

Following the market events that took place resulting in credit challenges faced by China property developers, the Manager has taken the decision to completely exit from China property bonds.

Market Review

As of 19th of December 2023, the Fund registered a total return of -12.1% or -3.5% per annum. Throughout the Fund's tenure, the Manager had implemented several key measures to mitigate the investment risks of the Fund in response to the above events. In the Asian credit landscape, the default crisis among China's property developers was impactful. Over 50% of private developers defaulted on their bond obligations, including offshore bonds. What initially began with Evergrande's default spread rapidly, affecting even high-

quality developers. This situation led to a significant risk-off sentiment and widespread credit spread widening, not only in the High Yield (“HY”) sector but also among Investment Grade (“IG”) names in the same industry. One of the pivotal decisions made by the Manager includes the complete exit from China property bonds, premised on the back of liquidity and credit challenges faced by China property developers. Persistently weak property sales, coupled with government policies that have not fully addressed underlying issues, led us to believe that these challenges were unlikely to be swiftly resolved. Furthermore, the decision of many issuers to prioritize onshore bonds over offshore bonds signaled prolonged and uncertain timelines for the restructuring of defaulted bonds, with anticipated low recovery values, if any.

Additionally, the write-off of Credit Suisse AT1 securities by the Swiss regulator, Swiss Financial Market Supervisory Authority (“FINMA”), in March 2023 affected the Fund performance adversely. As a result, the Manager has opted to overweight IG bonds in the Fund’s allocation. By favoring IG bonds over HY bonds, the Manager was aligning the Fund with a more conservative stance, thereby enhancing the stability and resilience of the Fund in the face of economic uncertainties.

Thirdly, the foreign sourced income (“FSI”) was implemented in 2022. As a transitional measure, the FSI received in Malaysia from 1 January 2022 until 30 June 2022 was taxed at 3%. The FSI received in Malaysia from 1 July 2022 onwards was taxed at the prevailing income tax rate which currently stands at 24%. As a result, the coupon income and interest income received from offshore bonds are now subjected to FSI tax. On the back of rising interest rates and the implementation of FSI tax, the Manager had prudently reduced the portfolio duration of the Fund to closely match the Fund maturity.

Furthermore, the Manager strategically increased the Fund exposure to Malaysian Ringgit bonds. This shift reflected the preference for defensive assets characterized by a more measured interest rate hikes by Bank Negara Malaysia and a more stable market environment. As the Fund approached its maturity, the cash levels were raised and subsequently deployed into defensive assets such as government securities and deposits.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

As per the requirements of the Securities Commission’s Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the –

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

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

Cross Trade

Cross trade transactions have been carried out during the reported period and that the Investment Committee of the fund has reviewed that such transactions are in the best interest of the fund and transacted on an arm’s length and fair value basis.

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

Various amendments were made to the Fund's Information Memorandum dated 27 May 2020. A communique dated 13 October 2023 with details of the amendments were issued to the investors with an effective date of 27 October 2023 ("Effective Date").

In general, the amendments made to the Information Memorandum dated 27 May 2020 are to reflect the following, but is not limited to:

1. Change in the shareholding of AHAM which took effect on 29 July 2022, whereby 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 Principal Deed which was registered and lodged with the Securities Commission Malaysia on 29 September 2023 ("Supplemental Deed");
4. Change in the name of the Manager;
5. Change in the name of the Fund; and
6. To streamline the processes and procedures for the Fund such as repurchase proceeds payout period, cooling-off right and suspension of dealing in units.

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

1) Update on Cover Page of Information Memorandum

Prior Disclosure	Revised Disclosure
<p>This Information Memorandum has been seen and approved by the directors of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.</p> <p>A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Affin Hwang Asset Management Berhad and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.</p>	<p>A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia. The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum. The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) responsible for the Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.</p>

2) Change in the name of the Manager

Prior Disclosure	Revised Disclosure
Affin Hwang Asset Management Berhad	AHAM Asset Management Berhad (Formerly known as Affin Hwang Asset Management Berhad)

3) Change in the name of the Fund

Prior Disclosure	Revised Disclosure
Affin Hwang Target Maturity Income Fund	AHAM Target Maturity Income Fund (Formerly known as Affin Hwang Target Maturity Income Fund)

4) Update in Glossary Definition

Prior Disclosure	Revised Disclosure
<p>Business Day A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.</p> <p>Deed(s) Refers to the Deed dated 8 May 2020 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.</p> <p>-</p>	<p>Business Day Means a day on which the Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/is open for trading.</p> <p>Deed(s) Refers to the deed dated 8 May 2020, the first supplemental deed dated 7 October 2020 and the second supplemental deed dated 27 September 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.</p> <p>eligible markets Means an exchange, government securities market or an over-the-counter (OTC) market–</p> <ul style="list-style-type: none"> a) that is regulated by a regulatory authority of that jurisdiction; b) that is open to the public or to a substantial number of market participants; and c) on which financial instruments are regularly traded.

5) Terminology updates

Prior Disclosure	Revised Disclosure
Structured products	Embedded derivatives
The Fund will invest in foreign fixed income instruments where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions (IOSCO).	The Fund will invest in foreign markets which are eligible markets.

6) Update in Disclosure of Derivatives and Embedded Derivatives

Prior Disclosure	Revised Disclosure
<p>Derivative Investments Derivatives trades may be carried out for both investments and hedging purposes through financial instruments such as, but not limited to, forward contracts, futures contracts swaps and options.</p> <p>Structured Product The Fund may also invest into structured products such as but not limited to credit linked notes. Investment into these structured products will provide the Fund with the exposure to the reference asset. Each of these products has its own targeted maturity and will expose investors to the price fluctuation of, in the case of a credit linked note, the reference entity that the credit linked note is linked to. As a result, any fluctuation in the price of the structured product may also lead to fluctuations in the NAV of the Fund i.e., if the price of the structured product sees a drop in price, the NAV of the Fund will also be negatively impacted. As the note is structured by an external party, investments into a structured product will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on its counterparty prior to an investment being made.</p>	<p>Derivatives 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 within mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange 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 forward contracts and swaps which are OTC or traded on centralised exchanges.</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 must not exceed 100% of NAV of the Fund at all times.</p> <p>Embedded Derivatives</p> <p>We may also invest in embedded derivatives such as, but not limited to, credit-linked notes. Investment in these embedded derivatives will provide the Fund with the exposure to the reference asset. Each of these embedded derivatives has its own targeted maturity and will expose investors to the price fluctuations of, in the case of credit-linked note, the credit that the credit-linked note is linked to. As a result, any fluctuation in the price of the embedded derivatives may also lead to fluctuation in the NAV of the Fund, i.e. if the price of the embedded derivative sees a drop in price, the NAV of the Fund will also be negatively impacted. As the credit-linked note is structured by an external party, investment in an embedded derivative will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on the counterparty prior to an investment being made. Risk in relation to investment in embedded derivatives will also be mitigated by limiting the Fund's total exposure to not more than 10% of the Fund's NAV.</p>
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7) Change in Investment Restrictions and Limits

Prior Disclosure	Revised Disclosure
<p>a) The aggregate value of the Fund's investments in debentures, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer/institution shall not exceed 25% of the Fund's NAV;</p> <p>b) The value of the Fund's investments in debentures issued by any single issuer shall not exceed 20% of the Fund's NAV;</p> <p>c) The single issuer limit in (b) may be increased to 30% if the debentures are rated by RAM, MARC, Standard & Poor's, Moody's or Fitch to be of the best quality and offer highest safety for timely payment of interest and principal (i.e. AAA by RAM or its equivalent rated by other rating agencies);</p> <p>d) For the purpose of (a), where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investments shall not exceed 30% of the Fund's NAV;</p> <p>e) The value of the Fund's investments in debentures issued by any one group of companies shall not exceed 30% of the Fund's NAV;</p> <p>f) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV;</p> <p>g) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;</p>	<p>(a) The Fund's assets must be relevant and consistent with the investment objective of the Fund;</p> <p>(b) The aggregate value of the Fund's investments in bonds that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit").</p> <p>(c) The value of the Fund's placements in deposits with any single financial institution shall not exceed 20% of the Fund's NAV ("Single Financial Institution Limit");</p> <p>(d) The Single Financial Institution Limit does not apply to placements of deposits arising from:</p> <p>(i) Subscription monies received prior to the commencement of investment by the Fund;</p> <p>(ii) Liquidation of investments prior to the termination of the fund, where the placement of deposits with various financial institutions would not be in the best interests of unit holders; or</p> <p>(iii) Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of unit holders.</p> <p>(e) For investments in derivatives/embedded derivatives, the exposure to the underlying assets of that</p>

<p>h) The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</p> <p>i) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to:-</p> <ol style="list-style-type: none"> i. Debentures traded on an OTC market; and ii. Structured products; <p>j) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;</p> <p>k) The Fund's investments in debentures shall not exceed 20% of that issued by any single issuer;</p> <p>l) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size;</p> <p>m) The limits and restrictions on the permitted investments set out above does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia;</p> <p>n) The issuers of the OTC derivatives must be licensed financial institutions with a minimum long term rating of AA by RAM or its equivalent rated by other rating agencies; and</p> <p>o) Any other investment limits or restrictions imposed by the Guidelines applicable to the Fund.</p> <p>The abovementioned limits and restrictions will be complied with at all times based on the up-to-date value of the Fund, and the value of their investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of units or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached and the Manager, within three (3) months from the date of the breach will take all necessary steps and actions to rectify the breach.</p>	<p>derivative/embedded derivative must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</p> <p>(f) The Fund's global exposure from derivatives position shall not exceed the Fund's NAV at all times;</p> <p>(g) The aggregate value of the Fund's investments in or exposure to, a single issuer through bonds, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives shall not exceed 25% of the Fund's NAV ("Single Issuer Aggregate Limit"). In determining the Single Issuer Aggregate Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;</p> <p>(h) The value of the Fund's investments in bonds and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("Single Issuer Limit"). In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;</p> <p>(i) The Single Issuer Limit above may be increased to 30% if the bonds are rated by any Malaysian or global rating agency to have the highest long-term credit rating;</p> <p>(j) Where the Single Issuer Limit is increased to 30% pursuant to above, the Single Issuer Aggregate Limit may be raised to exceed 30% of the Fund's NAV;</p> <p>(k) The value of the Fund's investments in bonds and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV ("Group Limit"). In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation;</p> <p>(l) The Single Issue Limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;</p> <p>(m) Where the Single Issuer Limit is increased to 35% of the Fund's NAV the Single Issuer Aggregate Limit may be raised, subject to the Group Limit not exceeding 35% of the Fund's NAV;</p> <p>(n) The Fund's investments in transferable securities (other than bonds) must not exceed 10% of the securities issued by any single issuer;</p> <p>(o) The Fund's investments in bonds must not exceed 20% of the bonds issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of bonds in issue cannot be determined;</p> <p>(p) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This does not apply to money market instruments that do not have a pre-determined issue size;</p> <p>(q) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to any laws and regulations applicable to the Fund.</p> <p>Please note that the above restrictions and limits do not</p>
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	<p>apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</p> <p>In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.</p>
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8) Update in Disclosure of Valuation of the Fund

Prior Disclosure	Revised Disclosure
<p>Debentures</p> <p>Valuation of unlisted debentures denominated in MYR will be done using the fair value price quoted by a bond pricing agency ("BPA") registered with the SC. If we are of the view that the price quoted by BPA differs from the market price quoted by at least three (3) independent dealers by more than 20 basis points and we determine that the methodology used by the independent dealers to obtain the market price is more appropriate, we may elect to use the price quoted by the independent dealers as the market price, provided that we record our basis for using a non-BPA price, obtain the necessary internal approvals to use the non-BPA price and keep an audit trail of all decisions and basis for adopting the market yields.</p> <p>Investment in other listed and unlisted debentures will be valued using the Composite Bloomberg Bond Trader (CBBT price) provided by Bloomberg. When CBBT prices are not available, the other listed and unlisted debentures will be valued by reference to the average indicative price quoted by at least 3 independent and reputable institutions. In the case where we are unable to obtain quotation from 3 independent and reputable institutions, the other listed and unlisted debentures will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p>Money Market Instruments</p> <p>The valuation of MYR denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For foreign money market instruments, valuation will be done using the average indicative yield quoted by independent and reputable institutions.</p> <p>Derivatives and Structured Products</p> <p>The valuation of derivatives and structured products will be based on the prices provided by the respective issuers or structurer. 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 and structured products (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</p>	<p>Debentures</p> <p>For unlisted MYR denominated debentures, valuation will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated unlisted debentures, valuation will be based on the average indicative price quoted by independent and reputable 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.</p> <p>For listed debentures, valuation shall be based on the closing price or last known transacted price on the eligible market on which the investment is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the listed debentures for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed debentures will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p>Money Market Instruments</p> <p>Valuation of MYR denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an 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>Derivatives and Embedded Derivatives</p> <p>Valuation of derivatives and embedded derivatives will be</p>

<p>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 the Bloomberg or Reuters. If the rates are not available on the 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>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 and embedded 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 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>
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9) Change in Repurchase Proceeds Payout Period

Prior Disclosure	Revised Disclosure
<p>You will be paid within ten (10) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.</p>	<p>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.</p>

10) Insertion of Disclosure of Cooling-off Right

Prior Disclosure	Revised Disclosure
<p>N/A</p>	<p>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.</p> <p>You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge imposed on the day those Units were purchased.</p> <p>(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</p> <p>(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.</p> <p>You will be refunded within ten (10) Business Days from our receipt of the cooling-off application.</p> <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 trusts funds, you are not entitled to this right.</p> <p>We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T+1 day”).</p>

	Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.
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11) Insertion of Suspension of Dealing in Units

Prior Disclosure	Revised Disclosure
N/A	<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 UNITHOLDERS OF AHAM TARGET MATURITY INCOME FUND (FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND) ("Fund")

We have acted as Trustee of the Fund for the financial year ended 19 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad has operated and managed the fund during the 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 TMF Trustees Malaysia Berhad

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
29 January 2023

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO
19 DECEMBER 2023 (DATE OF MATURITY)**

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO
19 DECEMBER 2023 (DATE OF MATURITY)**

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AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY)

	<u>Note</u>	Financial period from 1.9.2022 to 19.12.2023 (date of maturity) RM	Financial year ended 31.8.2022 RM
INVESTMENT INCOME/(LOSS)			
Interest income from financial assets at amortised cost		1,129,664	21,663
Interest income from financial assets at fair value through profit or loss		4,951,587	6,181,943
Net (loss)/gain on foreign currency exchanges		(2,438,520)	298,848
Net loss on forward foreign currency contracts at fair value through profit or loss	10	(1,439,734)	(2,129,055)
Net loss on financial assets at fair value through profit or loss	9	(960,331)	(27,440,989)
Other income		5,698	26,298
		<u>1,248,364</u>	<u>(23,071,292)</u>
EXPENSES			
Trustee fee	5	(47,277)	(43,053)
Fund accounting fee	6	(20,164)	(13,000)
Auditors' remuneration		(8,000)	(8,000)
Tax agent's fee		(3,500)	(3,500)
Other expenses		(39,987)	(37,540)
		<u>(118,928)</u>	<u>(105,093)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		1,129,436	(23,176,385)
Taxation	8	(467,968)	(598,742)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		<u>661,468</u>	<u>(23,775,127)</u>

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR PERIOD FROM 1 SEPTEMBER 2022 TO 19
DECEMBER 2023 (DATE OF MATURITY) (CONTINUED)

	<u>Note</u>	Financial period from 1.9.2022 to 19.12.2023 (date of <u>maturity</u>) RM	Financial year ended <u>31.8.2022</u> RM
Net profit/(loss) after taxation is made up of the following:			
Realised amount		3,921,101	2,496,496
Unrealised amount		(3,259,633)	(26,271,623)
		<u>661,468</u>	<u>(23,775,127)</u>

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

STATEMENT OF FINANCIAL POSITION
AS AT 19 DECEMBER 2023 (DATE OF MATURITY)

	<u>Note</u>	As at 19.12.2023 (date of maturity) RM	As at <u>31.8.2022</u> RM
ASSETS			
Cash and cash equivalents	11	91,101,790	1,765,333
Amount due from dealers		-	803,529
Financial assets at fair value through profit or loss	9	-	93,869,129
Forward foreign currency contracts at fair value through profit or loss	10	-	609,893
TOTAL ASSETS		<u>91,101,790</u>	<u>97,047,884</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	-	364,861
Amount due to Trustee		1,880	3,191
Amount due to dealers		-	802,486
Fund accounting fee		2,831	-
Auditors' remuneration		8,000	8,000
Tax agent's fee		3,500	3,500
Tax provision		281,710	260,202
Other payables and accruals		8,096	2,205
Distribution payable		3,469,148	-
TOTAL LIABILITIES		<u>3,775,165</u>	<u>1,444,445</u>
NET ASSET VALUE OF THE FUND		<u>87,326,625</u>	<u>95,603,439</u>

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

STATEMENT OF FINANCIAL POSITION
AS AT 19 DECEMBER 2023 (DATE OF MATURITY) (CONTINUED)

	<u>Note</u>	As at 19.12.2023 (date of maturity) RM	As at <u>31.8.2022</u> RM
EQUITY			
Unitholders' capital		112,016,229	112,436,363
Accumulated losses		(24,689,604)	(16,832,924)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>87,326,625</u>	<u>95,603,439</u>
NUMBER OF UNITS IN CIRCULATION	12	<u>111,908,000</u>	<u>112,429,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7803</u>	<u>0.8503</u>

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY)

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 September 2022	112,436,363	(16,832,924)	95,603,439
Total comprehensive income for the financial year	-	661,468	661,468
Distribution (Note 7)	-	(8,518,148)	(8,518,148)
Movement in unitholders' capital:			
Cancellation of units	(420,134)	-	(420,134)
Balance as at 19 December 2023 (date of maturity)	<u>112,016,229</u>	<u>(24,689,604)</u>	<u>87,326,625</u>
Balance as at 1 September 2021	112,561,000	12,449,250	125,010,250
Total comprehensive loss for the financial year	-	(23,775,127)	(23,775,127)
Distribution (Note 7)	-	(5,507,047)	(5,507,047)
Movement in unitholders' capital:			
Cancellation of units	(124,637)	-	(124,637)
Balance as at 31 August 2022	<u>112,436,363</u>	<u>(16,832,924)</u>	<u>95,603,439</u>

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY)

	<u>Note</u>	Financial period from 1.9.2022 to 19.12.2023 (date of maturity) RM	Financial year ended 31.8.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale and redemption of investments		134,202,470	47,969,195
Purchase of investments		(43,401,486)	(51,615,415)
Interest received		8,190,107	5,660,002
Trustee fee paid		(48,588)	(44,058)
Fund accounting fee paid		(17,333)	(13,000)
Payment for other fees and expenses		(45,596)	(47,327)
Net realised (loss)/gain on forward foreign currency contracts		(1,194,702)	429,737
Net realised (loss)/gain on foreign currency exchange		(2,438,519)	41,693
Tax paid		(446,460)	(338,540)
Other income received		5,698	26,298
		94,805,591	2,068,585
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments from cancellation of units		(420,134)	(124,637)
Payment for distribution		(5,049,000)	(5,507,047)
		(5,469,134)	(5,631,684)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		89,336,457	(3,563,099)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		-	257,155
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR		1,765,333	5,071,277
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR	11	91,101,790	1,765,333

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY)

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

The Fund commenced operations on 19 June 2020 and matured on 19 December 2023 (date of maturity), where the maturity date of the Fund is three and a half years from the investment date. The Manager and Trustee of the Fund hereby authorised the maturity of the Fund in respect of the Fund on 19 December 2023. As such, the going concern assumption can no longer be used for the preparation of financial statements. The net proceeds have been distributed pro rata to unitholders on 22 December 2023 according to the number of units held in the Fund as at 19 December 2023. Accordingly, the Manager has prepared the financial statements on a non-going concern basis.

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

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

B INCOME RECOGNITION

Interest income

Interest income from short-term deposit with a licensed financial institution and unquoted fixed income securities are recognised based on effective interest rate method on an accruals basis.

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

Realised gains and losses on sale of investments

For unquoted fixed income securities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium on investments.

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

C DISTRIBUTIONS

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

D TAXATION

Tax expense for the year comprises current and deferred income tax.

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

The income tax expense or credit for the period/year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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 Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

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 period/year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured subsequently 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.

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

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

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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

Unquoted fixed income securities including money market instrument denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission ("SC") as per the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. Where such quotation is not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

Unquoted fixed income securities denominated in foreign currencies are revalued at least twice a week by reference to the mid price quoted in Bloomberg using the Composite Bloomberg Bond Trader ("CBBT") which is a weighted average bid and ask of price contributions submitted by Bloomberg Dealers. However if such quotations are not available, the fair value shall be determined by reference to the bid and offer prices quoted by independent and reputable financial institutions.

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

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (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 reorganisation; and
- the debtor is insolvent.

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

Write-off

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

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash and bank balances and short-term deposit held in highly liquid investment 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 change in value.

I UNITHOLDERS' CAPITAL

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

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

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

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

J AMOUNT DUE FROM/(TO) DEALERS

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

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

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

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (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 that have a positive fair value and a 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 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 JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY)**

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Target Maturity Income Fund (the “Fund”) pursuant to the execution of a Deed dated 8 May 2020, as modified by a Supplemental Deed dated 7 October 2020 and a Second Supplemental Deed dated 27 September 2023 (“the Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Target Maturity Income Fund to AHAM Target Maturity Income Fund as amended by the Second Supplemental Deed dated 27 September 2023.

The Fund commenced operations on 19 June 2020 and matured on 19 December 2023 (date of maturity), where the maturity date of the Fund is three and a half years from the investment date. The Manager and Trustee of the Fund hereby authorised the maturity of the Fund in respect of the Fund on 19 December 2023. As such, the going concern assumption can no longer be used for the preparation of financial statements. The net proceeds have been distributed pro rata to unitholders on 22 December 2023 according to the number of units held in the Fund as at 19 December 2023. Accordingly, the Manager has prepared the financial statements on a non-going concern basis.

The Fund may invest in any of the following investments:

- (a) Debentures;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives;
- (e) Embedded derivatives; and
- (f) Any other form of investments permitted by the SC from time to time which is in line with the objective of the Fund.

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

The main objective of the Fund is to provide income through investments in fixed income instruments.

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

The financial statements were authorised for issue by the Manager on 29 January 2024.

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>As at 19.12.2023 (date of maturity)</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	91,101,790	-	91,101,790
<u>Financial liabilities</u>				
Amount due to Trustee		1,880	-	1,880
Fund accounting fee		2,831	-	2,831
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals *		2,371	-	2,371
Distribution payable		3,469,148	-	3,469,148
Total		3,487,730	-	3,487,730

* Excludes tax penalty provision of RM5,725.

As at 31.8.2022

<u>Financial assets</u>				
Cash and cash equivalents	11	1,765,333	-	1,765,333
Unquoted fixed income securities	9	-	93,869,129	93,869,129
Amount due from dealers		803,529	-	803,529
Forward foreign currency contracts	10	-	609,893	609,893
Total		2,568,862	94,479,022	97,047,884

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>As at 31.8.2022</u> (continued)				
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	364,861	364,861
Amount due to Trustee		3,191	-	3,191
Amount due to dealers		802,486	-	802,486
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		2,205	-	2,205
Total		<u>819,382</u>	<u>364,861</u>	<u>1,184,243</u>

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Market risk

(a) Price risk

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

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

	As at 19.12.2023 (date of maturity) RM	As at 31.8.2022 RM
Unquoted investments		
Unquoted fixed income securities*	-	93,869,129

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

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

Market risk (continued)

(a) Price risk (continued)

* Unquoted investment as at 31 August 2022 includes interest receivable of RM1,807,304.

The Fund has no financial instruments exposed to price risk as at 19 December 2023 (date of maturity).

The following table summarises the sensitivity of the Fund's loss after taxation and NAV to price risk movements as at 31 August 2022. The analysis is based on the assumptions that the market price increased by 1% and decreased by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted securities.

<u>% Change in rate</u>	<u>Market value</u> RM	Impact on loss after <u>tax/NAV</u> RM
<u>As at 31.8.2022</u>		
-1%	91,141,207	(920,618)
0%	92,061,825	-
+1%	92,982,443	920,618
	<u> </u>	<u> </u>

(b) Interest rate risk

In general, when interest rates rise, prices of unquoted fixed income securities will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income securities until maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

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

Market risk (continued)

(b) Interest rate risk (continued)

This risk is crucial in an unquoted fixed income securities fund since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Investors should note that unquoted fixed income securities and money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit/(loss) after taxation and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit/(loss) after tax/NAV</u>	
	As at 19.12.2023 (date of <u>maturity</u> RM	As at <u>31.8.2022</u> RM
+ 2%	-	(147,116)
- 2%	-	639,704
	<u> </u>	<u> </u>

The Fund's exposure to interest rate risk associated with deposit with a licensed financial institution is not material as the carrying value of the deposit is held on a short-term basis as at 31 August 2022.

The Fund is not exposed to interest rate risk as at 19 December 2023 (date of maturity).

(c) Currency risk

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The Fund has no financial instruments denominated in foreign currencies as at 19 December 2023 (date of maturity).

The following table sets out the foreign currency risk concentrations and counterparties of the Fund as at 31 August 2022:

	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealers</u> RM	<u>Total</u> RM
<u>As at 31.8.2022</u>					
<u>Financial assets</u>					
Australian Dollar	1,134,117	-	35,300	-	1,169,417
British Pound Sterling	-	-	40,666	-	40,666
Chinese Yuan	1,508,276	21,660	69,131	-	1,599,067
Euro	4,167,895	587,355	79,529	-	4,834,779
Singapore Dollar	12,881,567	878	833,353	803,529	14,519,327
United States Dollar	54,882,107	-	89,636	-	54,971,743
	<u>74,573,962</u>	<u>609,893</u>	<u>1,147,615</u>	<u>803,529</u>	<u>77,134,999</u>
			<u>Forward foreign currency contracts</u> RM	<u>Amount due to dealers</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>					
Australian Dollar			32,681	-	32,681
Singapore Dollar			145,431	802,486	947,917
United States Dollar			186,749	-	186,749
			<u>364,861</u>	<u>802,486</u>	<u>1,167,347</u>

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements as at 31 August 2022. 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 increase/(decrease) in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	<u>Change in price</u> %	<u>Impact on loss after tax/NAV</u> RM
<u>As at 31.8.2022</u>		
Australian Dollar	+/- 9.35	+/- 112,444
British Pound Sterling	+/- 7.24	+/- 2,945
Chinese Yuan	+/- 3.38	+/- 54,058
Euro	+/- 6.75	+/- 326,481
Singapore Dollar	+/- 3.08	+/- 475,850
United States Dollar	+/- 3.24	<u>+/- 1,788,920</u>

Credit risk

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

For unquoted fixed income securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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.

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

Credit risk (continued)

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

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Forward foreign currency <u>contracts</u> RM	Amount due from <u>dealers</u> RM	<u>Total</u> RM
<u>As at 19.12.2023 (date of maturity)</u>					
Financial Services					
- AAA	-	91,101,790	-	-	91,101,790
<u>As at 31.8.2022</u>					
Basic Materials					
- BBB+	452,891	-	-	-	452,891
- Ba3	3,998,307	-	-	-	3,998,307
Consumer Discretionary					
- AA1	5,141,153	-	-	-	5,141,153
- Baa3	2,974,324	-	-	-	2,974,324
- BBB-	2,655,352	-	-	-	2,655,352
Energy					
- A1	2,937,947	-	-	-	2,937,947
Financial Services					
- AAA	-	1,765,333	21,660	-	1,786,993
- AA2	-	-	147,208	-	147,208
- AA3	-	-	441,025	-	441,025
- A1	1,035,465	-	-	-	1,035,465
- A3	3,537,753	-	-	-	3,537,753
- Baa1	1,134,117	-	-	-	1,134,117
- Baa3	4,307,030	-	-	-	4,307,030
- Ba1	6,359,345	-	-	-	6,359,345
- Ba2	2,900,688	-	-	-	2,900,688
- Ba3	1,980,116	-	-	-	1,980,116
- BBB	11,394,505	-	-	-	11,394,505
- BBB-	5,332,627	-	-	-	5,332,627
- BB	3,470,093	-	-	-	3,470,093
- BB-	826,417	-	-	-	826,417
- NR	5,009,289	-	-	803,529	5,812,818

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

Credit risk (continued)

The following table sets out the credit risk concentration of the Fund: (continued)

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Forward foreign currency <u>contracts</u> RM	Amount due from <u>dealers</u> RM	<u>Total</u> RM
<u>As at 31.8.2022</u> (continued)					
Industrials					
- A+	5,041,884	-	-	-	5,041,884
Real Estate					
- Baa1	2,120,723	-	-	-	2,120,723
- Baa3	2,152,334	-	-	-	2,152,334
- Ba3	1,011,338	-	-	-	1,011,338
- BB-	3,677,634	-	-	-	3,677,634
- BB+	2,040,445	-	-	-	2,040,445
- B-	443,821	-	-	-	443,821
- Caa2	1,442,822	-	-	-	1,442,822
- Caa3	724,319	-	-	-	724,319
- C	481,031	-	-	-	481,031
- NR	4,161,424	-	-	-	4,161,424
Technology					
- Baa2	3,932,787	-	-	-	3,932,787
- Baa3	1,191,148	-	-	-	1,191,148
	<u>93,869,129</u>	<u>1,765,333</u>	<u>609,893</u>	<u>803,529</u>	<u>97,047,884</u>

Liquidity risk

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

Liquidity risk (continued)

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</u> <u>one month</u> RM	<u>Between</u> <u>one month</u> <u>to one year</u> RM	<u>Total</u> RM
<u>As at 19.12.2023 (date of maturity)</u>			
Amount due to Trustee	1,880	-	1,880
Fund accounting fee	-	2,831	2,831
Auditors' remuneration	-	8,000	8,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals *	-	2,371	2,371
Distribution payable	3,469,148	-	3,469,148
	<u>3,471,028</u>	<u>16,702</u>	<u>3,487,730</u>

* Excludes tax penalty provision of RM5,725.

As at 31.8.2022

Amount due to Trustee	3,191	-	3,191
Amount due to dealers	802,486	-	802,486
Auditors' remuneration	-	8,000	8,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	2,205	2,205
Forward foreign currency contracts at fair value through profit or loss	-	364,861	364,861
	<u>805,677</u>	<u>378,566</u>	<u>1,184,243</u>

Capital risk

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

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (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 market (such as trading securities) is based on quoted market prices at the close of trading on the period 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 judgment, considering factors specific to the asset or liability.

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The Fund's investment in financial assets at fair value through profit or loss have been fully written down as at 19 December 2023 (date of maturity).

The following table analyses within the fair value hierarchy the Fund's financial assets and financial liabilities (by class) measured at fair value as at 31 August 2022:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>As at 31.8.2022</u>				
Financial assets at fair value through profit or loss:				
- unquoted fixed income securities	-	93,869,129	-	93,869,129
- forward foreign currency contracts	-	609,893	-	609,893
	-	94,479,022	-	94,479,022
	-	364,861	-	364,861
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	364,861	-	364,861

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 unquoted fixed income securities and 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 dealers and all current liabilities, except for forward foreign currency contracts, are a reasonable approximation of the fair values due to their short-term nature.

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

4 MANAGEMENT FEE

In accordance with the Deed, 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.

The Manager has not imposed any management fee on the Fund for the financial period/year.

5 TRUSTEE FEE

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

For the financial period from 1 September 2022 to 19 December 2023 (date of maturity) and financial year ended 31 August 2022, the Trustee fee is recognised at a rate of 0.04% per annum on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM20,164 (2022: RM13,000) during financial year.

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

7 DISTRIBUTION

	Financial period from 1.9.2022 to 19.12.2023 <u>(date of maturity)</u> RM	Financial year ended <u>31.8.2022</u> RM
Distributions to unitholders is from the following sources:		
Interest income	4,184,546	-
Previous year's realised income	4,905,645	5,507,047
	<hr/>	<hr/>
Gross realised income	9,090,191	5,507,047
Less: Expenses	(104,075)	-
Less: Taxation	(467,968)	-
	<hr/>	<hr/>
Net distribution amount	<u>8,518,148</u>	<u>5,507,047</u>

During the financial period from 1 September 2022 to 19 December 2023 (date of maturity), distributions were made as follows:

	<u>Gross distribution per unit</u> sen	<u>Net distribution per unit</u> sen
<u>Ex-date</u>		
19.12.2022	4.500	4.500
19.12.2023	3.538	3.100
	<hr/>	<hr/>
	<u>8.038</u>	<u>7.600</u>

During the financial year ended 31 August 2022, distributions were made as follows:

	<u>Gross distribution per unit</u> sen	<u>Net distribution per unit</u> sen
<u>Ex-date</u>		
20.12.2021	4.8925	4.8925
	<hr/>	<hr/>

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

7 DISTRIBUTION (CONTINUED)

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.

Included in distributions for the financial period/year is an amount of RM4,905,645 (2022: RM5,507,047) made from previous year's realised income.

The distribution payable was settled on 20 December 2023.

8 TAXATION

	Financial period from 1.9.2022 to 19.12.2023 (date of <u>maturity</u>) RM	Financial year ended <u>31.8.2022</u> RM
Current taxation	846,074	598,742
Overprovision of taxation in prior year	(378,106)	-
	<u>467,968</u>	<u>598,742</u>

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:

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

8 TAXATION (CONTINUED)

	Financial period from 1.9.2022 to 19.12.2023 (date of maturity) RM	Financial year ended 31.8.2022 RM
Net profit/(loss) before taxation	1,129,436	(23,176,385)
Tax at Malaysian statutory rate of 24% (2022: 24%)	271,065	(5,562,332)
Tax effects of:		
(Investment income not subject to tax)/investment loss not brought to tax	546,466	5,537,110
Expenses not deductible for tax purposes	26,623	22,822
Restriction on tax deductible expenses for Wholesale Funds	1,920	2,400
Foreign investment income subject to different tax rates	-	598,742
Overprovision of taxation in prior year	(378,106)	-
Tax expense	467,968	598,742

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 19.12.2023 (date of maturity) RM	As at 31.8.2022 RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	-	19,295,167
- unquoted fixed income securities – foreign	-	74,573,962
	-	93,869,129
Net loss on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(2,239,354)	(3,122,172)
- unrealised gain/(loss) on changes in fair value	3,199,685	(24,348,817)
	(960,331)	(27,470,989)

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

(a) Unquoted fixed income securities – local

(i) There are no unquoted fixed income securities – local as at 19 December 2023 (date of maturity).

(ii) Unquoted fixed income securities – local as at 31 August 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	4,000,000	4,158,409	4,108,888	4.30
5.40% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	1,000,000	1,035,890	1,035,465	1.08
4.15% Dialog Group Bhd Call: 16.11.2027 (A1)	3,000,000	2,991,737	2,937,947	3.07
5.19% Genting RMTN Bhd 25.03.2027 (AA1)	5,000,000	5,126,268	5,141,153	5.38
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	1,000,000	1,051,707	1,029,830	1.08
5.55% Yinson Holdings Bhd 07.12.2026 (A+)	5,000,000	5,087,771	5,041,884	5.27
Total unquoted fixed income securities – local	<u>19,000,000</u>	<u>19,451,782</u>	<u>19,295,167</u>	<u>20.18</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(156,615)</u>		
Total unquoted fixed income securities – local		<u>19,295,167</u>		

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

(b) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 19 December 2023 (date of maturity).

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
6.25% Credit Suisse Group AG Call: 18.12.2024 (NR)*	935,200	915,223	-	-
7.50% Credit Suisse Group AG Call: 17.07.2049 (NR)*	2,338,000	2,284,462	-	-
	<u>3,273,200</u>	<u>3,199,685</u>	<u>-</u>	<u>-</u>
Total unquoted fixed income securities – foreign				
Accumulated unrealised loss on unquoted fixed income securities – foreign		(3,199,685)		
Total unquoted fixed income securities – foreign		<u>-</u>		

(ii) Unquoted fixed income securities – foreign as at 31 August 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
3% AAC Technologies Holdings Inc Call: 27.11.2022 (Baa2)	4,474,500	4,066,265	3,932,787	4.11
6.5% Asahi Mutual Life Insurance Co Call: 05.09.2023 (BBB)	3,248,487	3,357,984	3,352,367	3.51
6% Banco Bilbao Vizcaya Arg SA Call: 29.03.2024 (Ba2)	897,820	994,790	880,973	0.92
4.75% Banco Santander SA Call: 19.03.2025 (Ba1)	1,795,640	2,045,359	1,633,586	1.71

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

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

(b) Unquoted fixed income securities – foreign (continued)

(ii) Unquoted fixed income securities – foreign as at 31 August 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
5% Bangkok Bank PCL/Hong Kong Call: 23.09.2025 (Ba1)	2,684,700	2,593,552	2,579,847	2.70
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	1,243,400	1,208,545	1,134,117	1.19
4.1% Chinalco Capital Holdings Ltd Call: 11.09.2024 (BBB+)	447,450	441,164	452,891	0.47
5.375% CIFI Holdings Group Co Ltd Call: 21.09.2022 (NR)	2,237,250	2,094,430	1,011,338	1.06
5.85% CIFI Holdings Group Co Ltd Call: 19.09.2022 (BB-)	2,261,000	2,118,517	1,508,276	1.58
5.95% CIFI Holdings Group Co Ltd Call: 20.07.2023 (BB-)	1,342,350	1,305,236	687,621	0.72
6% CIFI Holdings Group Co Ltd Call: 16.01.2023 (BB-)	1,342,350	1,271,162	675,337	0.71
6.55% CIFI Holdings Group Co Ltd Call: 19.09.2022 (BB-)	1,342,350	1,339,216	806,400	0.84
4.375% Cooperatieve Rabobank UA Call: 29.06.2027 (Baa3)	1,795,640	1,940,577	1,653,336	1.73
6.5% Country Garden Holdings Co Ltd Call: 03.10.2022 (BB+)	2,237,250	2,250,480	1,228,965	1.29
8% Country Garden Holdings Co Ltd Call: 19.09.2022 (BB+)	1,342,350	1,177,857	811,480	0.85
6.25% Credit Suisse Group AG Call: 18.12.2024 (BB)	894,900	872,516	826,417	0.86
7.50% Credit Suisse Group AG Call: 17.07.2023 (B+)	2,237,250	2,240,661	2,019,715	2.11
6.125% Emirates NBD Bank PJSC Call: 26.04.2026 (NR)	894,900	864,717	900,401	0.94
2.625% Far East Horizon Ltd 03.03.2024 (BBB-)	1,789,800	1,619,719	1,660,002	1.74
4.125% Ford Motor Credit Co LLC 20.06.2024 (BBB-)	1,604,650	1,484,677	1,609,383	1.68
4% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	2,237,250	2,130,428	2,152,334	2.25

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

(b) Unquoted fixed income securities – foreign (continued)

(ii) Unquoted fixed income securities – foreign as at 31 August 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
4% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	3,132,150	2,874,240	2,974,324	3.11
2.15% Haidilao International Holding 14.01.2026 (BBB-)	1,342,350	1,098,707	1,045,969	1.09
5.21% HSBC Holdings PLC Call: 11.08.2027 (A3)	894,900	893,890	883,977	0.92
3.8% Huarong Finance 2017 Co 07.11.2025 (Baa3)	1,604,650	1,504,467	1,393,287	1.46
4.25% Huarong Finance 2019 Co Ltd Call: 30.09.2025 (BB)	4,474,500	3,986,788	3,470,093	3.63
8.25% Indika Energy Capital IV Call: 22.10.2022 (Ba3)	4,027,050	3,906,379	3,998,307	4.18
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba1)	2,237,250	2,162,154	2,145,912	2.24
4.4% Krung Thai Bank PLC Call: 25.03.2026 (Ba3)	2,237,250	2,119,779	1,980,116	2.07
7.4% KWG Group Holdings Ltd Call: 19.09.2022 (NR)	2,237,250	2,246,667	443,821	0.46
5.25% Lendlease Global Commer REIT Call: 11.04.2025 (NR)	3,209,300	3,176,982	3,284,297	3.44
4.5% Macquarie Group Ltd Call: 18.08.2025 (A3)	1,604,650	1,620,008	1,623,946	1.70
2.125% Meituan Call: 28.09.2025 (Baa3)	1,342,350	1,245,100	1,191,148	1.25
6.15% NWD Finance BVI Ltd Call: 16.03.2025 (NR)	894,900	889,553	877,127	0.92
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB)	3,132,150	3,041,399	3,071,484	3.21
5.95% Powerlong Real Estate Call: 30.04.2023 (Caa3)	1,789,800	1,677,725	246,453	0.26
6.25% Powerlong Real Estate Call: 21.09.2022 (Caa3)	2,684,700	2,583,073	477,866	0.50
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	3,579,600	3,802,788	3,672,625	3.84

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

(b) Unquoted fixed income securities – foreign (continued)

(ii) Unquoted fixed income securities – foreign as at 31 August 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	-	399	-	-
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	2,237,250	2,126,945	2,120,723	2.22
6.2% Times China Holdings Ltd Call: 22.09.2023 (Caa2)	894,900	850,905	158,650	0.17
6.75% Times China Holdings Ltd Call: 08.07.2023 (Caa2)	4,474,500	4,326,465	755,463	0.79
6.75% Times China Holdings Ltd Call: 14.09.2023 (Caa2)	2,237,250	2,175,290	528,709	0.55
5.125% UBS Group AG Call: 29.07.2026 (Baa3)	1,342,350	1,281,415	1,260,407	1.32
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	4,813,950	4,764,180	4,970,654	5.20
8.375% Yuzhou Group Holdings Co Ltd Call: 30.10.2022 (C)	2,237,250	2,169,930	165,333	0.17
8.5% Yuzhou Group Holdings Co Ltd Call: 19.09.2022 (C)	1,118,625	1,076,590	82,666	0.09
8.5% Yuzhou Group Holdings Co Ltd Call: 26.02.2022 (C)	3,132,150	2,450,814	233,032	0.24
Total unquoted fixed income securities – foreign	<u>101,264,312</u>	<u>97,470,484</u>	<u>74,573,962</u>	<u>78.00</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(22,896,522)</u>		
Total unquoted fixed income securities – foreign		<u>74,573,962</u>		

AHAM TARGET MATURITY INCOME FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

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

*Credit Suisse Group AG

Following the unprecedented and controversial decision by the Swiss Financial Market Supervisory Authority (“FINMA”) on 19 March 2023 to write-down CHF16 billion of Credit Suisse’s Additional Tier 1 (“AT1”) securities, UBS Group AG (“UBS”) announced on 12 June 2023 that it had formally completed the acquisition of Credit Suisse. The now-enlarged UBS will have a balance sheet of USD1.6 trillion. According to news during the reporting period, UBS was also looking to reduce the total combined workforce by around 30% or 25,000 employees. Credit Suisse’s total headcount was reported at around 45,000.

On 11 August 2023, UBS announced that it has ended the CHF9 billion loss protection agreement and the CHF100 billion public liquidity backstop that were initially put in place by the Swiss government back in March. This announcement followed a comprehensive assessment of Credit Suisse’s potential losses which were not as significant as earlier anticipated. Additionally, Credit Suisse has also fully repaid an emergency liquidity assistance loan of CHF50 billion obtained from the Swiss National Bank (“SNB”).

Further to this, on 31 August 2023, UBS posted its quarterly earnings results following its acquisition of Credit Suisse. It reported a quarterly profit before tax of USD29.2 billion, including a USD28.9 billion of negative goodwill from the acquisition. If excluding the negative goodwill and also integration-related expenses and acquisition costs, UBS’s adjusted profit before tax is USD1.1 billion. UBS also provided updates on the integration of Credit Suisse and financial targets by year-end 2026. Amongst the targets, UBS is aiming for USD10 billion worth of cost savings that is aimed to be achieved through the restructuring of its non-core and Credit Suisse Investment Banking segments, as well as from business synergies across its core businesses. UBS reported a Common Equity Tier 1 (“CET1”) capital ratio of 14.4% and targets a ~14% CET1 capital ratio over the medium term.

Since the announcement in March 2023, several investor groups globally have initiated legal proceedings seeking compensation as a result of the write-down. Quinn Emanuel Urquhart & Sullivan LLP (“Quinn Emanuel”) and UK-based Pallas launched separate Swiss lawsuits against FINMA over the decision. Quinn Emanuel is representing plaintiffs with \$6 billion of AT1 claims, while Pallas’s clients hold about \$2 billion of Credit Suisse AT1 securities. As of 7 June 2023, Quinn Emanuel has informed the Manager and other global AT1 bondholders that the Swiss Federal Administrative Court (“SFAC”) has effectively acknowledged receipt of the filing made by Quinn Emanuel on 18 April 2023. The legal proceeding is currently ongoing, and the Manager will maintain close communications with Quinn Emanuel on the progress of the lawsuit.

**AHAM TARGET MATURITY INCOME FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at 19 December 2023 (date of maturity), there are nil (31.08.2022: 19) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM Nil (2022: RM74,792,500). The forward foreign currency contracts entered into during the financial period/year were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Australian Dollar, Chinese Yuan, Euro, Singapore Dollar and United States Dollar. As the Fund has not adopted hedge accounting during the financial period/year, the changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	As at 19.12.2023 (date of maturity) RM	As at <u>31.8.2022</u> RM
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	-	609,893
	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	-	364,861
	<u> </u>	<u> </u>
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised (loss)/gain on forward foreign currency contracts	(1,439,734)	429,737
- unrealised loss on changes in fair value	-	(2,558,792)
	<u> </u>	<u> </u>
	<u>(1,439,734)</u>	<u>(2,129,055)</u>

- (i) There are no forward foreign currency contracts as at 19 December 2023 (date of maturity).

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

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

	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	23,167,280	(22,816,575)	350,705	0.37
BNP Paribas Malaysia Bhd	29,752,630	(29,769,356)	(16,726)	(0.02)
CIMB Bank Bhd	20,656,540	(20,712,806)	(56,266)	(0.06)
JP Morgan Chase Bank Bhd	1,216,050	(1,248,731)	(32,681)	(0.03)
	<u>74,792,500</u>	<u>(74,547,468)</u>	<u>245,032</u>	<u>0.26</u>
Total forward foreign currency contracts	<u>74,792,500</u>	<u>(74,547,468)</u>	<u>245,032</u>	<u>0.26</u>

The Manager is of the opinion that all transactions with the former immediate holding company of Manager have been entered into in the normal course of business at agreed terms between the related parties.

11 CASH AND CASH EQUIVALENTS

	As at 19.12.2023 (date of <u>maturity</u>) RM	As at <u>31.8.2022</u> RM
Cash and bank balances	91,101,790	1,177,111
Deposit with a licensed financial institution	-	588,222
	<u>91,101,790</u>	<u>1,765,333</u>

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

	As at 19.12.2023 (date of <u>maturity</u>) %	As at <u>31.8.2022</u> %
Deposit with a licensed financial institution	-	2.25
	<u>-</u>	<u>2.25</u>

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

11 CASH AND CASH EQUIVALENTS (CONTINUED)

The deposits with a licensed financial institution as at 31 August 2022 had an average remaining maturity period of 1 day.

12 NUMBER OF UNITS IN CIRCULATION

	As at 19.12.2023 (date of maturity) No. of units	As at 31.8.2022 No. of units
At the beginning of the financial period/year	112,429,000	112,561,000
Cancellation of units during the financial period/year	(521,000)	(132,000)
At the end of the financial period/year	<u>111,908,000</u>	<u>112,429,000</u>

13 TRANSACTIONS WITH DEALERS

(i) Details of transactions with the top 10 dealers for the financial period from 1 September 2022 to 19 December 2023 (date of maturity) are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Nomura Singapore Ltd #	18,484,109	13.22
Affin Hwang Investment Bank Bhd #	15,251,711	10.91
JP Morgan Chase Bank Bhd	11,960,073	8.56
HSBC Bank Malaysia Bhd	10,233,250	7.32
Australia & New Zealand Banking Group Ltd	8,894,239	6.36
Citigroup Global Markets	8,695,471	6.22
Barclays Bank PLC	8,589,785	6.15
Standard Chartered Bank Malaysia Bhd	7,292,517	5.22
Morgan Stanley Asia Ltd	7,027,355	5.03
Citibank Bhd	6,324,246	4.52
Others #	37,023,884	26.49
	<u>139,776,640</u>	<u>100.00</u>

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

13 TRANSACTIONS WITH DEALERS (CONTINUED)

(ii) Details of transactions with the top 10 dealers for the financial year ended 31 August 2022 are as follows:

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
RHB Investment Bank Bhd #	20,169,900	20.94
HSBC Banking Corporation Ltd	10,184,034	10.58
Citigroup Global Markets Inc	9,287,226	9.64
Standard Chartered Bank Malaysia Bhd	7,938,344	8.24
Nomura Singapore Ltd	6,378,096	6.62
Mizuho Securities Asia Ltd	5,932,808	6.16
MarketAxess Holdings Inc #	5,357,150	5.56
Australia & New Zealand Banking Group Ltd	4,943,804	5.13
DBS Bank Ltd	4,828,242	5.01
Barclays Bank PLC	4,690,786	4.87
Others	16,609,083	17.25
	<u>96,319,473</u>	<u>100.00</u>

Included in the transactions with dealers are cross trades conducted between the Fund and other funds managed by the Manager amounting to:

<u>Name of dealers</u>	As at 19.12.2023 (date of maturity) RM	As at 31.8.2022 RM
Affin Hwang Investment Bank Bhd	13,946,000	-
Nomura Singapore Ltd	4,779,267	-
RHB Investment Bank Bhd	1,010,400	20,169,900
MarketAxess Holdings Inc	-	5,357,150
	<u>19,735,667</u>	<u>25,527,050</u>

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

13 TRANSACTIONS WITH DEALERS (CONTINUED)

The cross trades are conducted between the Fund and other funds managed by the Manager as follows:

	As at 19.12.2023 (date of maturity) RM	As at 31.8.2022 RM
AHAM Flexible Maturity Income Fund 15 (formerly known as Affin Hwang Flexible Maturity Income Fund 15)	3,013,620	-
AHAM Flexible Maturity Income Fund 16 (formerly known as Affin Hwang Flexible Maturity Income Fund 16)	3,021,550	-
AHAM Flexible Maturity Income Fund 20 (formerly known as Affin Hwang Flexible Maturity Income Fund 20)	2,907,180	-
AHAM Hard Currencies Fixed Income Fund (formerly known as Affin Hwang Hard Currencies Fixed Income Fund)	1,010,400	-
AHAM Select Bond Fund	2,389,633	20,169,900
AHAM Select Income Fund	7,393,284	5,357,150
	<u>19,735,667</u>	<u>25,527,050</u>

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

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

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)**

14 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 period/year are as follows: (continued)

<u>Related parties</u>	<u>Relationships</u>
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 Co., Ltd (“NAM”)	Substantial shareholder of the Manager
AHAM Asset Management Berhad	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad	Directors of the Manager

	<u>19.12.2023 (date of maturity)</u>	As at	<u>31.8.2022</u>	As at
	No. of units	RM	No of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)	2,061	1,609	3,222	2,740

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

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

15 TOTAL EXPENSE RATIO (“TER”)

	Financial period from 1.9.2022 to 19.12.2023 (date of maturity) %	Financial year ended 31.8.2022 %
TER	<u>0.13</u>	<u>0.10</u>

TER is derived from the following calculation:

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

- A = Trustee fee
- B = Auditors' remuneration
- C = Fund accounting fee
- D = Tax agent's fee
- E = Other expenses
- F = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period/year calculated on a daily basis is RM 90,878,043 (2022: RM107,634,269).

AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY INCOME FUND)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2022 TO 19 DECEMBER
2023 (DATE OF MATURITY) (CONTINUED)

16 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period from 1.9.2022 to 19.12.2023 (date of <u>maturity</u>)	Financial year ended <u>31.8.2022</u>
PTR (times)	<u>1.08</u>	<u>0.48</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period/year = RM42,599,000 (2022: RM52,417,901)
total disposal for the financial period/year = RM154,212,325 (2022: RM51,894,896)

17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in substantial shareholders of AHAM Asset Management Berhad

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

18 SUBSEQUENT EVENT

The net proceeds have been distributed pro rata to unitholders on 22 December 2023 according to the number of units held in the Fund as at 19 December 2023.

**AHAM TARGET MATURITY INCOME FUND
(FORMERLY KNOWN AS AFFIN HWANG TARGET MATURITY 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 45 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 19 December 2023 (date of maturity) and of its financial performance, changes in equity and cash flows for the financial period from 1 September 2022 to 19 December 2023 (date of maturity) 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
29 January 2024

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM TARGET MATURITY INCOME FUND
(Formerly known as Affin Hwang Target Maturity Income Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Target Maturity Income Fund (“the Fund”) (formerly known as Affin Hwang Target Maturity Income Fund) give a true and fair view of the financial position of the Fund as at 19 December 2023 (date of maturity), and of its financial performance and its cash flows for the financial period from 1 September 2022 to 19 December 2023 (date of maturity) 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 19 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 45.

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.

Emphasis of matter

We draw attention to Note A of basis of preparation of the financial statements, which states that the Fund has matured on 19 December 2023. These financial statements have therefore been prepared using a non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM TARGET MATURITY INCOME FUND
(CONTINUED)
(Formerly known as Affin Hwang Target Maturity Income Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM TARGET MATURITY INCOME FUND
(CONTINUED)
(Formerly known as Affin Hwang Target Maturity Income Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment 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 Company'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.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM TARGET MATURITY INCOME FUND
(CONTINUED)
(Formerly known as Affin Hwang Target Maturity Income Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (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 UNITHOLDERS OF AHAM TARGET MATURITY INCOME FUND
(CONTINUED)
(Formerly known as Affin Hwang Target Maturity Income Fund)

OTHER MATTERS

This report is made solely to the unitholders 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
29 January 2024

DIRECTORY OF SALES OFFICE

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