



ANNUAL REPORT
30 November 2024

AHAM Single Bond Series 1

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee Berhad
(313031-A)

Built On Trust

aham.com.my

AHAM SINGLE BOND SERIES 1

Annual Report and Audited Financial Statements For Financial Year Ended 30 November 2024

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FUND INFORMATION

Fund Name	AHAM Single Bond Series 1
Fund Type	Income
Fund Category	Bond (Wholesale)
Investment Objective	The Fund aims to provide regular income over the medium to long term period
Benchmark	12-month Malayan Banking Berhad Fixed Deposit Rate
Distribution Policy	Subject to the availability of income, the Fund will provide distribution on an annual basis

FUND PERFORMANCE DATA

Category	As at 30 Nov 2024 (%)	As at 30 Nov 2023 (%)	As at 30 Nov 2022 (%)
Portfolio composition			
Unquoted fixed income securities – foreign	91.61	90.12	100.07
Cash & cash equivalent	8.39	9.88	0.00
Total	100.00	100.00	100.07*
Total NAV (RM'million)	88.369	94.9325	171.521
NAV per Unit (RM)	0.9223	0.8482	0.8445
Unit in Circulation (million)	95.814	111.9210	203.103
Highest NAV	0.9491	0.9622	1.0292
Lowest NAV	0.8506	0.7712	0.7739
Return of the Fund (%)	14.48	4.22	-9.13
- Capital Growth (%)	8.74	0.44	-15.23
- Income Distribution (%)	5.28	3.77	7.19
Gross Distribution per Unit (sen)	4.75	3.94	6.27
Net Distribution per Unit (sen)	4.75	3.05	6.27
Total Expense Ratio (%) ¹	0.60	0.59	0.63
Portfolio Turnover Ratio (times) ²	0.04	0.40	0.23

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 year taking into account all the distribution payable (if any) during the stipulated year.

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 was higher than previous year due to the lower average NAV of the Fund for the financial year.

² The PTR of the Fund was lower than previous year due to lower trading activities of the Fund for the financial year.

*Total foreign unquoted fixed income securities holdings was over 100% due to the timing of settlements.

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	Distribution per Unit (RM)	Ex-distribution
24-Mar-22	25-Mar-22	0.9727	0.0327	0.9321
26-Sep-22	27-Sep-22	0.8825	0.0300	0.8426
27-Mar-23	28-Mar-23	0.8188	0.0185	0.7965
2-Oct-23	3-Oct-23	0.8626	0.0120	0.8495
31-Mar-24	1-Apr-24	0.9149	0.0251	0.8929
2-Oct-24	3-Oct-24	0.9491	0.0224	0.9323

No unit split was declared for the financial year ended 30 November 2024.

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	25-Mar-22	3.2700	100	-	-
MYR	27-Sep-22	3.0000	100	-	-
MYR	28-Mar-23	1.8500	100	-	-
MYR	3-Oct-23	1.2000	100	-	-
MYR	1-Apr-24	2.5100	100	-	-
MYR	3-Oct-24	2.2400	100	-	-

Fund Performance

Table 1: Performance of the Fund

	1 Year (1/12/23 - 30/11/24)	3 Years (1/12/21 - 30/11/24)	5 Years (1/12/19 - 30/11/24)	Since Commencement (28/6/19 - 30/11/24)
Fund	14.48%	8.42%	19.74%	25.77%
Benchmark	2.65%	7.86%	12.42%	13.90%
Outperformance	11.83%	0.56%	7.32%	11.87%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/12/23 - 30/11/24)	3 Years (1/12/21 - 30/11/24)	5 Years (1/12/19 - 30/11/24)	Since Commencement (28/6/19 - 30/11/24)
Fund	14.48%	2.73%	3.66%	4.31%
Benchmark	2.65%	2.55%	2.37%	2.42%
Outperformance	11.83%	0.18%	1.29%	1.89%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/12/23 - 30/11/24)	FYE 2023 (1/12/22 - 30/11/23)	FYE 2022 (1/12/21 - 30/11/22)	FYE 2021 (1/12/20 - 30/11/21)	FYE 2020 (28/6/19 - 30/11/20)
Fund	14.48%	4.22%	(9.13%)	3.07%	12.55%
Benchmark	2.65%	2.86%	2.16%	1.85%	3.67%
Outperformance	11.83%	1.36%	(11.29%)	1.22%	8.88%

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.

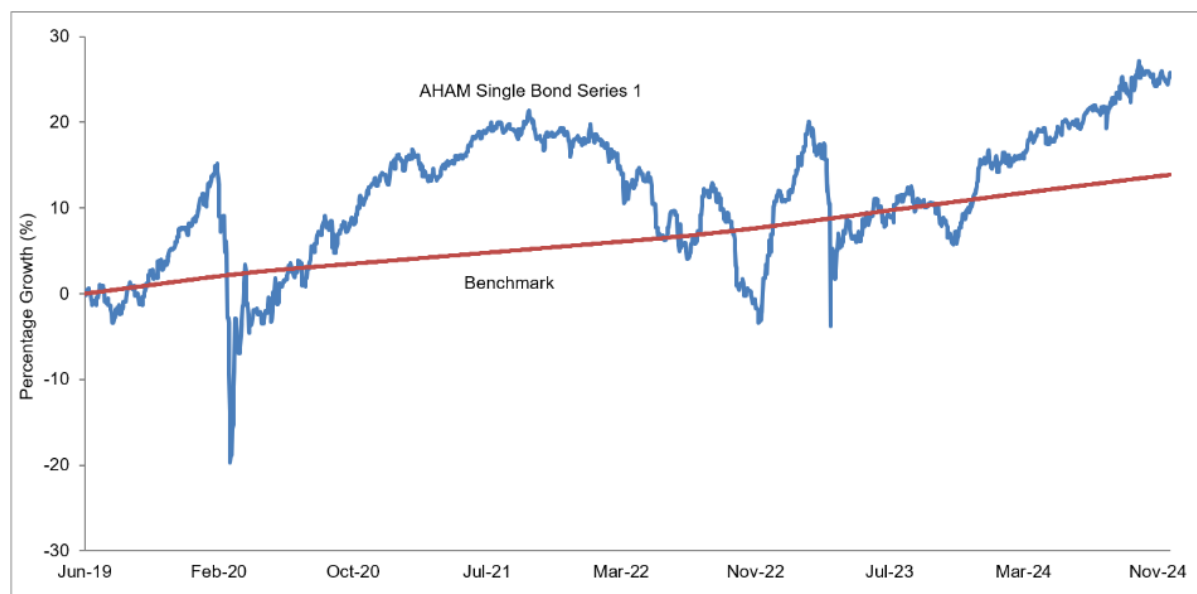
MANAGER'S REPORT

Performance Review (1 December 2023 to 30 November 2024)

For the period 1 December 2023 to 30 November 2024, the Fund registered a 14.48% return compared to the benchmark return of 2.65%. The Fund thus outperformed the Benchmark by 11.83%. The Net Asset Value per unit ("NAV") of the Fund as at 30 November 2024 was RM0.9223 while the NAV as at 30 November 2023 was RM0.8482. During the financial year under review, the Fund has declared a total income distribution of RM0.0475 per unit.

Since commencement, the Fund has registered a return of 25.77% compared to the benchmark return of 13.90%, outperforming by 11.87%.

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: 12-month Malayan Banking Berhad Fixed Deposit Rate

Asset Allocation

As at 30 November 2024, the asset allocation of the Fund stood at 91.61% of the Fund's NAV in fixed income securities, while the remaining were in cash or cash equivalents.

Strategies Employed

The Fund's investment would solely consist of a bond (including hybrid security such as an Additional Tier 1 security). The Fund will remain invested while leaving slight cash buffers to meet any potential repurchase requirement.

Market Review

The fixed income market has experienced significant movements influenced by central bank policies, economic data and geopolitical events. The Federal Reserve's ("Fed") monetary policy has been pivotal, culminating in interest rate cuts during the second half of 2024. After keeping interest rate at 5.5% for 14 months, Fed finally began easing in September 2024, and the Fed Fund Rate has been brought down to 4.75%. This shift reflects a broader strategy to support economic growth amid signs of easing inflation and a stabilizing labor market. Other central banks have also adjusted their policies in response to global economic conditions. For instance, the Bank of England and European Central Bank have reduced interest rates by 50 basis points ("bps") and 75bps, respectively. For the full year, US Treasury 10 year traded in a range of 3.6 – 5%. US yield curve was inverted through 2022-2024 indicating investor concerns about future economic conditions. However, yield curve normalized in September 2024 as Fed embarked on easing mode. While economic indicators have shown mixed signals, general economic growth has been somewhat resilient, with United States ("US") unemployment rate remained stable at around 4.10% as of October 2024, suggesting a potential "soft landing" for the economy as interest rates are expected to decrease further over the next year. Inflation rates have also moderated slightly, with recent figures reporting an annual inflation rate of approximately 2.40% as of September 2024.

Within the European banking space, results released by major financial institutions were overall decent underpinned by higher base of net interest income, cost discipline and low provision costs. Importantly, the fundamentals global banks continued to show they have overall higher than pre-pandemic capital ratios while maintaining good liquidity metrics. Investors sentiment have overall been good this year towards credits such as additional tier 1 securities and this has translated to improving bond prices.

Investment Outlook

The outlook for global government bonds over the next 12 months is shaped by anticipated shifts in monetary policy and macroeconomic conditions. As central banks, particularly Fed, signal potential interest rate cuts in response to economic uncertainties, government bonds may benefit from increased demand. Lower interest rates typically lead to higher bond prices, providing opportunities for capital gains for investors holding longer-duration bonds. Furthermore, with yields on government bonds remaining relatively attractive compared to historical standards, they are likely to attract risk-averse investors seeking stability amidst market volatility. However, the pace of economic recovery and inflation dynamics will be critical factors influencing bond performance, as unexpected inflation could erode real returns.

In terms of risks and opportunities in bond investments, several factors must be considered. Interest rate risk remains a significant concern, as rising rates can lead to declining bond prices, particularly for long-duration securities. On the positive note, we view that interest rates are more likely to be cut over the next twelve months, which will be supportive of bond prices. Inflation has moderated but the risk remains as it can erode the purchasing power of fixed income returns, making it crucial for investors to assess the real yield of their bond holdings. On the opportunity side, the current environment allows for active management strategies, where investors can capitalize on mispriced securities through diligent credit analysis and duration management. Moreover, the growing emphasis on environmental, social and governance ("ESG") factors presents a dual opportunity to enhance returns while contributing to sustainable practices, particularly in the corporate bond space. Thus, while risks persist, the potential for attractive returns through strategic investment choices remains robust.

As for the underlying issuer, HSBC Holdings PLC has demonstrated overall resilient performance when measured in terms of its earnings, capital and balance sheet metrics. We expect global growth to be more moderate in the nearer term, which may translate to some normalization of earnings and credit costs. That said, there is sizable earnings and capital buffer to cushion against potential slowdown in global economic growth. Since the acquisition of Credit Suisse by Union Bank of Switzerland (“UBS”) in 2023, major financial institutions particularly in Europe have continued to call their AT1 issuances on their first call dates. This reflects strong capital buffers, financial flexibility and investor-friendly stance, even amidst economic and financial market uncertainties. This show of commitment, particularly in a high-interest rate landscape, bolstered investor confidence.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made To the Fund's Information Memorandum

A First Supplemental Information Memorandum with effective date 28 February 2024 was issued to:

- (i) Disclose the designated fund manager of the Fund and trustee arrangements of the Fund;
- (ii) Update the definition and eligibility of a Sophisticated Investor;
- (iii) Other updates which are general in nature

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF AHAM SINGLE BOND SERIES 1 ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **AHAM Asset Management Berhad** has operated and managed the fund during the financial year covered by these financial statements in accordance with the following:

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

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

For **CIMB Commerce Trustee Berhad**

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur
24 January 2025

AHAM SINGLE BOND SERIES 1

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024**

AHAM SINGLE BOND SERIES 1

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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AHAM SINGLE BOND SERIES 1

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
INVESTMENT INCOME			
Interest income from financial assets at amortised cost		42,576	97,447
Interest income from financial assets at fair value through profit or loss		1,282,399	1,873,719
Net gain/(loss) on foreign currency exchange		6,733	(1,212,387)
Net gain/(loss) on currency swaps at fair value through profit or loss	11	764,511	(130,168)
Net gain on financial assets at fair value through profit or loss	10	1,610,199	61,807
		<hr/>	<hr/>
		3,706,418	690,418
		<hr/>	<hr/>
EXPENSES			
Management fee	4	(100,798)	(142,916)
Trustee fee	5	(8,080)	(11,473)
Fund accounting fee	6	(2,619)	(2,861)
Auditors' remuneration		(1,713)	(1,817)
Tax agent's fee		(749)	(795)
Other expenses	7	(6,378)	(10,752)
		<hr/>	<hr/>
		(120,337)	(170,614)
		<hr/>	<hr/>
NET PROFIT BEFORE TAXATION		3,586,081	519,804
Taxation	8	131,688	(481,222)
		<hr/>	<hr/>
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		3,717,769	38,582
		<hr/> <hr/>	<hr/> <hr/>
Net profit after taxation is made up of the following:			
Realised amount		84,885	18,270,524
Unrealised amount		3,632,884	(18,231,942)
		<hr/>	<hr/>
		3,717,769	38,582
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The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements .

AHAM SINGLE BOND SERIES 1

STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
ASSETS			
Cash and cash equivalents	13	706,273	3,568,723
Financial assets at fair value through profit or loss	10	18,222,678	18,362,062
Currency swaps at fair value through profit or loss	11	790,422	-
Tax recoverable		247,877	-
TOTAL ASSETS		<u>19,967,250</u>	<u>21,930,785</u>
LIABILITIES			
Currency swaps at fair value through profit or loss	11	43,287	1,245,138
Amount due to Manager			
- management fee		8,134	8,375
- cancellation of units		20,545	167,573
Amount due to Trustee		651	670
Fund accounting fee		225	-
Auditors' remuneration		1,713	1,817
Tax agent's fee		749	795
Tax provision		-	72,978
Deferred tax liabilities	12	-	56,914
Other payables and accruals		321	402
TOTAL LIABILITIES		<u>75,625</u>	<u>1,554,662</u>
NET ASSET VALUE OF THE FUND		<u>19,891,625</u>	<u>20,376,123</u>
EQUITY			
Unit holders' capital		19,669,308	22,801,810
Retained earnings/(Accumulated losses)		222,317	(2,425,687)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>19,891,625</u>	<u>20,376,123</u>

AHAM SINGLE BOND SERIES 1

STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> <u>USD</u>	<u>2023</u> <u>USD</u>
NUMBER OF UNITS IN CIRCULATION			
- MYR-Hedged class	14	<u>95,814,000</u>	<u>111,921,000</u>
NET ASSET VALUE PER UNIT (USD)			
- MYR-Hedged class		<u>0.2076</u>	<u>0.1821</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCY			
- MYR-Hedged class		<u>RM0.9223</u>	<u>RM0.8482</u>

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

AHAM SINGLE BOND SERIES 1

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Unit holders' capital USD	Retained earnings/ (Accumulated losses) USD	Total USD
Balance as at 1 December 2023	22,801,810	(2,425,687)	20,376,123
Total comprehensive income for the financial year	-	3,717,769	3,717,769
Distributions (Note 9)	-	(1,069,765)	(1,069,765)
Movement in unit holders' capital:			
Creation of units arising from distributions	199,042	-	199,042
Cancellation of units	(3,331,544)	-	(3,331,544)
Balance as at 30 November 2024	<u>19,669,308</u>	<u>222,317</u>	<u>19,891,625</u>
Balance as at 1 December 2022	40,101,826	(1,487,352)	38,614,474
Total comprehensive income for the financial year	-	38,582	38,582
Distributions (Note 9)	-	(976,917)	(976,917)
Movement in unit holders' capital:			
Creation of units arising from distributions	191,387	-	191,387
Cancellation of units	(17,491,403)	-	(17,491,403)
Balance as at 30 November 2023	<u>22,801,810</u>	<u>(2,425,687)</u>	<u>20,376,123</u>

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

AHAM SINGLE BOND SERIES 1

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,762,440	20,102,130
Interest received		1,312,116	2,211,283
Management fee paid		(101,039)	(149,238)
Trustee fee paid		(8,099)	(11,979)
Fund accounting fee paid		(2,394)	(2,861)
Payment for other fees and expenses		(9,070)	(33,309)
Net realised (loss)/gain on currency swaps		(1,227,762)	739,592
Net realised gain on foreign currency exchange		61,803	19,221,939
Tax paid		(246,081)	(763,325)
		<hr/>	<hr/>
Net cash flows generated from operating activities		1,541,914	41,314,232
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		-	1,105
Payments for cancellation of units		(3,478,572)	(17,438,819)
Payments for distributions		(870,723)	(785,530)
		<hr/>	<hr/>
Net cash flows used in financing activities		(4,349,295)	(18,223,244)
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,807,381)	23,090,988
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(55,069)	(20,434,325)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		3,568,723	912,060
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	13	706,273	3,568,723
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The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements .

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

B INCOME RECOGNITION

Interest income

Interest income from short-term deposits with licensed financial institutions and unquoted fixed income securities are recognised based on effective interest rate method on an accrual basis.

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

Realised gains and losses on sale of investments

For 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.

Realised gains and losses on currency swaps

Realised gain or loss on currency swaps are measured by the net profit income and expense as per the currency swap contract.

C DISTRIBUTIONS

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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 year is the tax payable on the current year'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 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 United States Dollar ("USD"), which is the Fund's functional and presentation currency.

F FOREIGN CURRENCY TRANSLATION

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely payments of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

(ii) Recognition and measurement

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

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

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

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 currency exchange transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

Unquoted fixed income securities including money market instruments 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.

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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

Qualitative criteria:

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

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

H CASH AND CASH EQUIVALENTS

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

I 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 currency swaps. 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 position 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 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 currency swaps are determined using the present value of future cash flows based on observable yield curves at the date of statement of financial position date.

The method of recognising the resulting gains or losses 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.

J UNIT HOLDERS' CAPITAL

The unit holders' 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 is 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 unit holder exercises the right to put the unit back to the Fund.

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

AHAM SINGLE BOND SERIES 1

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

Functional currency

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

- (i) The Fund's sole investment is in an unquoted fixed income security denominated in USD.
- (ii) Significant portion of the Fund's expenses are denominated in USD.

L REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised portions 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 SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Single Bond Series 1 (the “Fund”) pursuant to the execution of a Deed dated 28 May 2019 and First Supplemental Deed dated 9 November 2023 (the “Deed”) entered into between AHAM Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Single Bond Series 1 to AHAM Single Bond Series 1 as amended by the First Supplemental Deed dated 9 November 2023.

The Fund commenced operations on 1 July 2019 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

The only class in issue for the financial year is the MYR-Hedged Class and the Fund may create new classes of units in the future periods.

The Fund may invest in any of the following assets, subject to the Deed, the Fund’s objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Bond;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) 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 regular income over the medium to long term period.

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

The financial statements were authorised for issue by the Manager on XX January 2025.

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	Total USD
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	13	706,273	-	706,273
Unquoted fixed income securities	10	-	18,222,678	18,222,678
Currency swaps	11	-	790,422	790,422
Total		<u>706,273</u>	<u>19,013,100</u>	<u>19,719,373</u>
<u>Financial liabilities</u>				
Currency swaps	11	-	43,287	43,287
Amount due to Manager				
- management fee		8,134	-	8,134
- cancellation of units		20,545	-	20,545
Amount due to Trustee		651	-	651
Fund accounting fee		225	-	225
Auditors' remuneration		1,713	-	1,713
Tax agent's fee		749	-	749
Other payables and accruals		321	-	321
Total		<u>32,338</u>	<u>43,287</u>	<u>75,625</u>
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	13	3,568,723	-	3,568,723
Unquoted fixed income securities	10	-	18,362,062	18,362,062
Total		<u>3,568,723</u>	<u>18,362,062</u>	<u>21,930,785</u>

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2023 (continued)</u>				
<u>Financial liabilities</u>				
Currency swaps	11	-	1,245,138	1,245,138
Amount due to Manager				
- management fee		8,375	-	8,375
- cancellation of units		167,573	-	167,573
Amount due to Trustee		670	-	670
Auditors' remuneration		1,817	-	1,817
Tax agent's fee		795	-	795
Other payables and accruals		402	-	402
Total		<u>179,632</u>	<u>1,245,138</u>	<u>1,424,770</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:

	<u>2024</u> USD	<u>2023</u> USD
Unquoted investments		
Unquoted fixed income securities*	<u>18,222,678</u>	<u>18,362,062</u>

* Includes interest receivable of USD222,228 (2023: USD237,142).

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

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

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> USD
<u>2024</u>		
-3%	17,460,436	(540,014)
0%	18,000,450	-
+3%	18,540,464	540,014
	<u><u> </u></u>	<u><u> </u></u>
<u>2023</u>		
- 5%	17,218,674	(906,246)
0%	18,124,920	-
+ 5%	19,031,166	906,246
	<u><u> </u></u>	<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 security 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 SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (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 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 1% (100 basis points) (2023: 2% (200 basis points)) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2024</u> USD	<u>2023</u> USD
+ 1% (2023: + 2%)	(35,295)	(118,813)
- 1% (2023: - 2%)	35,380	119,763

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

(c) Currency risk

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

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

(c) Currency risk (continued)

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

	Currency swaps USD	Cash and cash equivalents USD	Total USD
<u>2024</u>			
<u>Financial assets</u>			
Malaysian Ringgit	790,422	702,012	1,492,434
	<u> </u>	<u> </u>	<u> </u>
	Currency swaps USD	Other liabilities* USD	Total USD
<u>Financial liabilities</u>			
Malaysian Ringgit	43,287	23,553	66,840
	<u> </u>	<u> </u>	<u> </u>

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

		Cash and cash equivalents USD	Total USD
<u>2023</u>			
<u>Financial assets</u>			
Malaysian Ringgit		3,568,342	3,568,342
		<u> </u>	<u> </u>
	Currency swaps USD	Other liabilities* USD	Total USD
<u>Financial liabilities</u>			
Malaysian Ringgit	1,245,138	170,587	1,415,725
	<u> </u>	<u> </u>	<u> </u>

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

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in rate %	Impact on profit after tax/NAV USD
<u>2024</u>		
Malaysian Ringgit	+/- 6.30	+/- 89,812
<u>2023</u>		
Malaysian Ringgit	+/- 6.08	+/- 130,879

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 investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

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

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

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

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 in the Deed and SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (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:

	Currency swaps USD	Unquoted fixed income securities USD	Cash and cash equivalents USD	Total USD
<u>2024</u>				
Financial Services				
- AAA	651,947	-	706,273	1,358,220
- AA3	138,475			138,475
- Baa3	-	18,222,678	-	18,222,678
	<u>790,422</u>	<u>18,222,678</u>	<u>706,273</u>	<u>19,719,373</u>
<u>2023</u>				
Financial Services				
- AAA	-	-	3,568,723	3,568,723
- Baa3	-	18,362,062	-	18,362,062
	<u>-</u>	<u>18,362,062</u>	<u>3,568,723</u>	<u>21,930,785</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 unit holders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (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 one month</u> USD	<u>Between one month to one year</u> USD	<u>Total</u> USD
<u>2024</u>			
Currency swaps at fair value through profit or loss	-	43,287	43,287
Amount due to Manager			
- management fee	8,134	-	8,134
- cancellation of units	20,545	-	20,545
Amount due to Trustee	651	-	651
Fund accounting fee	225	-	225
Auditors' remuneration	-	1,713	1,713
Tax agent's fee	-	749	749
Other payables and accruals	-	321	321
	<u>29,555</u>	<u>46,070</u>	<u>75,625</u>
<u>2023</u>			
Currency swaps at fair value through profit or loss	-	1,245,138	1,245,138
Amount due to Manager			
- management fee	8,375	-	8,375
- cancellation of units	167,573	-	167,573
Amount due to Trustee	670	-	670
Auditors' remuneration	-	1,817	1,817
Tax agent's fee	-	795	795
Other payables and accruals	-	402	402
	<u>176,618</u>	<u>1,248,152</u>	<u>1,424,770</u>

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings (2023: unit holders' 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 unit holders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active market (such as trading securities) is based on quoted market prices at the close of trading on the year end date. The Fund utilises the bid prices 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.

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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.

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2024</u>				
Financial assets at fair value through profit or loss:				
- unquoted fixed income securities	-	18,222,678	-	18,222,678
- currency swaps	-	790,422	-	790,422
	-	19,013,100	-	19,013,100
Financial liabilities at fair value through profit or loss:				
- currency swaps	-	43,287	-	43,287
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- unquoted fixed income securities	-	18,362,062	-	18,362,062
Financial liabilities at fair value through profit or loss:				
- currency swaps	-	1,245,138	-	1,245,138

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These includes unquoted fixed income securities and currency swaps. 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 and all current liabilities, except for currency swaps, are a reasonable approximation of the fair values due to their short-term nature.

4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 30 November 2024, the management fee is recognised at a rate of 0.50% (2023: 0.50%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

5 TRUSTEE FEE

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

For the financial year ended 30 November 2024, the Trustee fee is recognised at a rate of 0.04% (2023: 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 USD2,619 (equivalent to: RM12,000) (2023: USD2,861 (equivalent to: RM13,000)) for the financial year.

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

7 OTHER EXPENSES

	<u>2024</u> USD	<u>2023</u> USD
Other expenses	6,378	7,554
Under provision for prior's year tax penalty provision	-	3,198
	<u>6,378</u>	<u>10,752</u>

8 TAXATION

	<u>2024</u> USD	<u>2023</u> USD
Current taxation	-	503,410
(Over)/ Under provision of tax in previous financial year	(74,774)	46,032
Deferred tax (Note 12)	(56,914)	(68,220)
	<u>(131,688)</u>	<u>481,222</u>

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

	<u>2024</u> USD	<u>2023</u> USD
Net profit before taxation	<u>3,586,081</u>	<u>519,804</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	860,659	124,753
Tax effects of:		
(Investment income not subject to tax)/ Investment loss not brought to tax	(946,454)	269,489
Expenses not deductible for tax purposes	3,984	6,103
Restriction on tax deductible expenses for Wholesale Fund	24,897	34,845
(Over)/Under provision of tax in previous financial year	(74,774)	46,032
Tax expense	<u>(131,688)</u>	<u>481,222</u>

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

9 DISTRIBUTIONS

	<u>2024</u> USD	<u>2023</u> USD
Net distribution amount	1,069,765	976,917

During the financial year ended 30 November 2024, distributions were made as follows:

<u>Ex-date</u>	<u>Gross distribution per unit</u> sen MYR-Hedged Class	<u>Net distribution per unit</u> sen MYR-Hedged Class
01.04.2024	2.7224	2.5100
03.10.2024	2.2400	2.2400
	<u>4.9624</u>	<u>4.7500</u>

During the financial year ended 30 November 2023, distributions were made as follows:

<u>Ex-date</u>	<u>Gross distribution per unit</u> sen MYR-Hedged Class	<u>Net distribution per unit</u> sen MYR-Hedged Class
28.03.2023	2.4120	1.8500
03.10.2023	1.5240	1.2000
	<u>3.9360</u>	<u>3.0500</u>

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

Included in distributions for the financial year is an amount of USD148,713 (2023: USD Nil) made from previous year's realised income.

The Fund has incurred an unrealised loss of USDNil (2023: USD18,283,855) for the financial year ended 30 November 2024.

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2024</u> USD	<u>2023</u> USD
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – foreign	18,222,678	18,362,062
Net gain on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(27,158)	(2,926,079)
- unrealised gain on changes in fair value	1,637,357	2,987,886
	<u>1,610,199</u>	<u>61,807</u>

(a) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 30 November 2024 are as follows:

<u>Name of issuer</u>	<u>Nominal</u> <u>value</u> USD	<u>Adjusted</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
<u>Bonds</u>				
6.5% HSBC Holdings PLC (Call: 23.03.2028) Baa3	18,100,000	18,225,380	18,222,678	91.61
Total unquoted fixed income securities – foreign	<u>18,100,000</u>	<u>18,225,380</u>	<u>18,222,678</u>	<u>91.61</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(2,702)</u>		
Total unquoted fixed income securities – foreign		<u>18,222,678</u>		

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 30 November 2023 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
6.5% HSBC Holdings PLC (Call: 23.03.2028) Baa3	19,900,000	20,002,121	18,362,062	90.12
Total unquoted fixed income securities – foreign	<u>19,900,000</u>	<u>20,002,121</u>	<u>18,362,062</u>	<u>90.12</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(1,640,059)</u>		
Total unquoted fixed income securities – foreign		<u>18,362,062</u>		

11 CURRENCY SWAPS

As at the date of statement of financial position, there are 9 (2023: 21) currency swaps outstanding. The notional principal amount of the outstanding currency swaps amounted to USD18,100,000 (2023: USD19,900,000). As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the currency swaps is recognised immediately in the statement of comprehensive income.

	<u>2024 USD</u>	<u>2023 USD</u>
Financial assets at fair value through profit or loss: - currency swaps	<u>790,422</u>	<u>-</u>
Financial liabilities at fair value through profit or loss: - currency swaps	<u>43,287</u>	<u>1,245,138</u>

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

11 CURRENCY SWAPS (CONTINUED)

	<u>2024</u> USD	<u>2023</u> USD
Net gain/(loss) on currency swaps at fair value through profit or loss:		
- realised (loss)/gain on currency swaps	(1,248,108)	707,248
- unrealised gain/(loss) on currency swaps	2,012,619	(837,416)
	<u>764,511</u>	<u>(130,168)</u>

(a) Currency swaps

(i) Currency swaps as at 30 November 2024 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd	7,195,186	7,100,000	95,186	0.49
CIMB Bank Bhd	1,744,217	1,700,000	44,217	0.22
Hong Leong Bank Bhd	4,076,575	3,800,000	276,575	1.39
United Overseas Bank Malaysia Bhd	5,831,157	5,500,000	331,157	1.66
	<u>18,847,135</u>	<u>18,100,000</u>	<u>747,135</u>	<u>3.76</u>

(ii) Currency swaps as at 30 November 2023 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd	8,341,417	8,600,000	(258,583)	(1.27)
CIMB Bank Bhd	5,394,798	5,800,000	(405,202)	(1.99)
United Overseas Bank Malaysia Bhd	4,918,647	5,500,000	(581,353)	(2.85)
	<u>18,654,862</u>	<u>19,900,000</u>	<u>(1,245,138)</u>	<u>(6.11)</u>

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

12 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

	<u>2024</u> USD	<u>2023</u> USD
Deferred tax assets	-	-
Deferred tax liabilities	-	(56,914)
	<u>-</u>	<u>(56,914)</u>

The movements in the deferred tax assets/(liabilities) balances are as follows:

	Foreign interest receivables on financial assets at fair value through profit or loss	
	<u>2024</u> USD	<u>2023</u> USD
Balance at the beginning of the financial year	(56,914)	(125,134)
Transfer to income statement (Note 8)	56,914	68,220
Balance as at the end of the financial year	<u>-</u>	<u>(56,914)</u>

13 CASH AND CASH EQUIVALENTS

	<u>2024</u> USD	<u>2023</u> USD
Cash and bank balances	30,554	538,419
Deposits with licensed financial institutions	675,719	3,030,304
	<u>706,273</u>	<u>3,568,723</u>

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

	<u>2024</u> %	<u>2023</u> %
Deposits with licensed financial institutions	<u>3.00</u>	<u>3.88</u>

The deposit with a licensed financial institution has an weighted average remaining maturity period of 2 days (2023: 51 days).

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

14 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	111,921,000	203,103,000
Creation of units arising from distributions	992,309	1,058,480
Cancellation of units	(17,099,309)	(92,240,480)
At the end of the financial year	<u>95,814,000</u>	<u>111,921,000</u>

15 TRANSACTIONS WITH DEALERS

(i) Details of transactions with the dealers for the financial year ended 30 November 2024 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
HSBC Ltd	786,025	44.60
BNP Paribas Securities (Singapore) Pte Ltd	593,316	33.66
DBS Bank	383,100	21.74
	<u>1,762,441</u>	<u>100.00</u>

(ii) Details of transactions with the dealers for the financial year ended 30 November 2023 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
Standard Chartered Bank Malaysia Bhd	6,682,050	33.24
HSBC Ltd	4,423,750	22.01
Natwest Markets	2,603,130	12.95
BNP Paribas Securities (Singapore) Pte Ltd	1,916,000	9.53
JP Morgan Chase Bank Bhd	1,540,000	7.66
Citibank Bhd	1,540,000	7.66
HSBC Bank Malaysia Bhd	1,397,200	6.95
	<u>20,102,130</u>	<u>100.00</u>

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

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

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

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

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

	<u>2024</u>		<u>2023</u>	
<u>The Manager:</u>	No. of units	USD	No. of units	USD
AHAM Asset Management Berhad (The units are held legally for booking purposes)	3,708	770	2,972	541

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

AHAM SINGLE BOND SERIES 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024 (CONTINUED)

18 TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>0.60</u>	<u>0.59</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is USD20,194,901 (2023: USD28,731,155).

19 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.04</u>	<u>0.40</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USDNil (2023: USDNil)
total disposal for the financial year = USD1,789,598 (2023: USD23,083,073)

AHAM SINGLE BOND SERIES 1

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 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 November 2024 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
24 January 2025

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AHAM SINGLE BOND SERIES 1

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Single Bond Series 1 (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 November 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 1 to 34.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors’ report thereon

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

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.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AHAM SINGLE BOND SERIES 1 (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AHAM SINGLE BOND SERIES 1 (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AHAM SINGLE BOND SERIES 1 (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
24 January 2025

DIRECTORY OF SALES OFFICE

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