

**SEMI-ANNUAL REPORT**  
31 May 2023

**AHAM Flexible Maturity  
Income Fund 15**  
(Formerly known as Affin  
Hwang Flexible Maturity  
Fund 15)

MANAGER  
AHAM Asset Management Berhad  
*(Formerly known as Affin Hwang Asset  
Management Berhad)*  
199701014290 (429786-T)

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

# AHAM FLEXIBLE MATURITY INCOME FUND 15 (FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)

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

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## FUND INFORMATION

Fund Name	AHAM Flexible Maturity Income Fund 15 (formerly known as Affin Hwang Flexible Maturity Income Fund 15)
Fund Type	Income
Fund Category	Fixed Income (close-ended)
Investment Objective	The Fund aims to provide income through investments in fixed income instruments
Duration of the Fund	Five (5) years close-ended Fund
Termination Date	23 April 2025
Benchmark	5-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

## FUND PERFORMANCE DATA

Category	As at 31 May 2023 (%)	As at 31 May 2022 (%)	As at 31 May 2021 (%)
Portfolio Composition			
<b>Unquoted fixed income securities – foreign</b>	<b>96.77</b>	<b>96.70</b>	<b>92.30</b>
<b>Cash &amp; cash equivalent</b>	<b>3.23</b>	<b>3.30</b>	<b>7.70</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	78.399	88.285	101.082
NAV per Unit (RM)	0.8521	0.9374	1.0467
Unit in Circulation (million)	92.004	94.180	96.569
Highest NAV	0.9422	1.0615	1.0990
Lowest NAV	0.8503	0.9297	1.0395
Return of the fund (%)	-0.25	-7.74	1.03
- Capital Return (%)	-2.28	-10.17	-2.81
- Income Return (%)	2.08	2.70	3.96
Gross Distribution per Unit (sen)	1.81	2.58	4.12
Net Distribution per Unit (sen)	1.81	2.58	4.12
Total Expense Ratio (%) <sup>1</sup>	0.14	0.14	0.14
Portfolio Turnover Ratio (times) <sup>2</sup>	0.24	0.17	0.14

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

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

An illustration of the above would be as follow:-

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

<sup>1</sup> The TER of the fund was unchanged during the period under review.

<sup>2</sup> The PTR of the fund increased due to an increase in trading activities during the period under review.

## MANAGER'S REPORT

### Income Distribution / Unit Split

The Net Asset Value per Unit prior and subsequent to the distributions was as follows:

Cum-Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
23-Apr-23	24-Apr-23	0.8913	0.0181	0.8718

No unit split was declared for the financial period ended 31 May 2023.

### Performance Review (1 December 2022 to 31 May 2023)

For the period 1 December 2022 to 31 May 2023, the Fund registered a -0.25% return compared to the benchmark return of 1.16%. The Fund thus underperformed the Benchmark by 1.41%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was RM0.8521 while the NAV as at 30 November 2022 was RM0.8720. During the period under review, the Fund has declared a gross income distribution of RM0.0181 per unit.

Since commencement, the Fund has registered a return of -7.14% compared to the benchmark return of 7.48%, underperforming by 14.62%.

### Fund Performance

Table 1: Performance of the Fund

	6 Months (1/12/22 - 31/5/23)	1 Year (1/6/22 - 31/5/23)	3 Years (1/6/20 - 31/5/23)	Since Commencement (23/4/20 - 31/5/23)
Fund	(0.25%)	(7.21%)	(8.95%)	(7.14%)
Benchmark	1.16%	2.35%	7.22%	7.48%
Outperformance	(1.41%)	(9.56%)	(16.17%)	(14.62%)

Source of Benchmark: Maybank

Table 2: Average Total Return

	1 Year (1/6/22 - 31/5/23)	3 Years (1/6/20 - 31/5/23)	Since Commencement (23/4/20 - 31/5/23)
Fund	(7.21%)	(3.08%)	(2.35%)
Benchmark	2.35%	2.35%	2.35%
Outperformance	(9.56%)	(5.43%)	(4.70%)

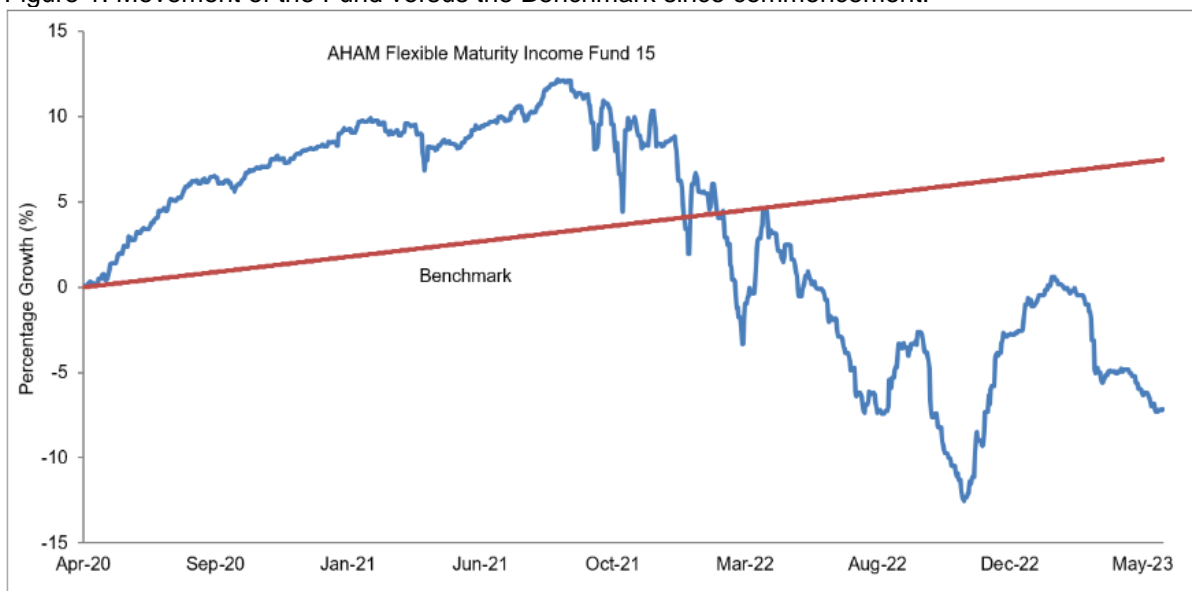
Source of Benchmark: Maybank

Table 3: Annual Total Return

	FYE 2022 (1/12/21 - 30/11/22)	FYE 2021 (1/12/20 - 30/11/21)	FYE 2020 (23/4/20 - 30/11/20)
Fund	(14.18%)	0.72%	7.70%
Benchmark	2.35%	2.35%	1.42%
Outperformance	(16.53%)	(1.63%)	6.28%

Source of Benchmark: Maybank

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



*"This information is prepared by AHAM Asset Management Berhad (formerly known as Affin Hwang 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 Maybank."  
Benchmark: 5-years Malayan Banking Berhad fixed deposit rate as at Investment Date*

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

### **Asset Allocation**

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

As at 31 May 2023, the asset allocation of the Fund stood at 96.77% of the Fund's NAV in fixed income securities while the remaining was held in cash and cash equivalent.

### **Strategies Employed**

Over the period under review, the Manager maintained a focus on high conviction credit names across both domestic and regional space.

### **Market Review**

Market volatility has been persisting as macro events and policy rate increases across the global economy affected stock and bond markets. Over the year under review, the S&P500 returned 2.89%, MSCI AC World index returned 2.64%, MSCI AC Asia ex Japan Index 1.40%, and the FTSE Bursa Malaysia -7.94%. Bond markets were similarly impacted with the Bloomberg Barclays Global Aggregate Index down -4.48%, while local bond markets saw edge higher with the benchmark 10-year MGS yield closing at 3.85%.

The financial period under review was driven by a confluence of unprecedented events that unfolded globally. The Russia-Ukraine conflict casted a shadow of geopolitical instability, heightening risk sentiments and increasing volatility. Although Covid cases have started to trend downward, the market continues to grapple with the ongoing effects of the pandemic and geopolitical instability. Temporary closure of factories and logistical facilities created disruptions in the flow of goods and services resulted in supply chain bottlenecks and delayed deliveries. Now that supply have started to normalise, and goods and services are readily available, consumer spending is returning to pre-pandemic levels. In order to regulate consumer spending driven by stimulus over the lock-down period to rein in inflation, central banks globally embarked on a series of policy rates increases.

The US Federal Reserve raised their policy rates in each monetary policy committee meetings since March last year, to of 5.25% in May 2023. The sharp pace of policy tightening raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks. However, despite the Fed's effort in policy tightening, economic indicators continue to remain positive. In addition to fractures in the banking sector, other notable events over the year included the concern over the US approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth.

The global equity was volatile throughout the year but with a stark difference between sectors. Technology stocks were boosted by enthusiasm over new developments in generative artificial Intelligence (AI) while energy and materials stocks were among the weaker performers in the month. Although economic data released remained broadly supportive, the prospect of a government default has put investors on edge.

Both the China onshore and offshore equity markets regained momentum as COVID cases in China seemed to have peaked out and an ease in lockdown measures in various cities including Shanghai's reopening in June last year was seen. However, by the end of the financial period, Chinese stocks trended downwards, amongst other factors includes high-profile divestments of Chinese internet platform companies and lingering geopolitical risks. After great anticipation of China's reopening cooled, Chinese equities fell sharply by the end of the financial year. Weak demand for exports and lacklustre consumer spending has effected in the slowing down of factory outputs in China.

The effect of China's cooling economy also weakened sentiment towards Hong Kong stocks. India on the other hand showed gains driven by steady earnings and foreign inflows. The development in AI helped boost Taiwan and South Korea's technology stocks.

Major macro events over the financial year under review had a notable effect on the domestic market. While Bank Negara similarly raised policy rates to tame domestic inflation, the pace of increase was more measured compared to other major central banks. Due to Malaysia's close trade relation to China, the Ringgit has weakened considerably year to date. In a statement, Bank Negara Malaysia (BNM) believes that the depreciation of the Ringgit is not fundamentally driven and that global headwinds are driving investors to seek safe haven assets like the US dollar. On local fixed income, the 10-year MGS yield closed unchanged at 3.71%. Malaysia's GDP for the first quarter of 2023 came relatively strong at 5.60% compared to market expectations of 5.10% driven by an expansion of household spending and strong employment growth. The strong GDP showing may have been a factor that weighed on BNM's decision to hike the overnight policy rate (OPR) earlier in May.

## **Investment Outlook**

Global equity markets still remain susceptible to shifting sentiment towards geopolitical tensions, inflation, economic growth and ultimately corporate earnings. Valuations have already significantly adjusted to reflect a change in the market environment, and we believe reflect realistic expectations for inflation, rates and risk premia. Consequently, the source of risk has now shifted from valuation to earnings in light of the softer growth and prospects for a recession, which appears increasingly likely.

China is expected to be a strong source of growth and returns for Asia. The Chinese equities as well as credit market took a breather from February onwards after strong rally in the prior months. Market sentiment was dampened by the re-intensifying geopolitical tensions between US-China which arose from the balloon controversies and the plan to expand US troops in Taiwan for military training. On the other hand, macro and economic front continued to deliver encouraging data. Consumption to recover in February, stronger and at a faster pace than expected, albeit with more encouraging signs in the services sector over consumer goods. Signs of the rebound were evident over the Chinese New Year holiday, and domestic tourism recorded the strongest visitor and revenue levels since the pandemic. China's official manufacturing PMI rose to 52.6 in February from 50.1 in January, however has dipped slightly to 51.9 in March. Non-manufacturing PMI on the other hand rose to 58.2 in March, the highest since May 2011. The supportive stance continued into 2023 and was recently validated by the 2 sessions that took place in early March. The general positive tone on economic

recovery and consumption stimulus remains, alongside with the announcement of the new cabinet and securing of President Xi's third term.

In contrast to the expected slowdown in the developed market economy, Malaysia's economic fundamentals continues to remain strong. Within the financial period under review, the government unveiled its revised budget, focusing on sustainable economic growth, institutional reforms and reducing social inequality. The benchmark KLCI edged lower as market reaction to Budget 2023 was neutral. Our view is that newly tabled budget is a pragmatic one that should restore confidence and shore up support in the long run. The absence of any prosperity tax is a huge relief to the market that should augur well for corporate earnings. Notwithstanding macro noises, Malaysia economy is primarily domestic driven and therefore more insulated against external shocks.

Bond investors may see some relief this year after enduring a painful 2022 which saw rates volatility reaching unprecedented highs. In 2023, volatility in rates is expected to temper down as we see a slower pace of adjustment in rates. In addition, a slower growth outlook is beneficial for rates. On local fixed income, credit rating agencies are likely to maintain the sovereign ratings of Malaysia bonds. Rates volatility will be driven by external development.

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

Over the period under review, the Fund has undergone several material changes. The name of the Fund has been changed from Affin Hwang Flexible Maturity Income Fund 15 to AHAM Flexible Maturity Income Fund 15 due to a change in name of the Manager from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

Other significant impact to the Fund includes two of the Fund's holdings defaulting on their debt obligations, namely Credit Suisse Group AG and Times China Holdings Ltd. The Manager continues to follow closely any ongoing developments. More information is available in Note 9 of the Financial Statements.

### **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 by the management company on behalf of the Fund.

### **Cross Trade**

Cross trade transactions have been carried out during the reported period and the Investment Committee of the Fund has reviewed that such transaction are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a 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 Prospectus**

There were no changes made to the prospectus during the financial year under review.



## **TRUSTEE’S REPORT**

### **TO THE UNIT HOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 15 (FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15) (“Fund”)**

We have acted as the Trustee of the Fund for the financial period ended 31 May 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is 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.

For **TMF Trustees Malaysia Berhad**  
**(Company No.: (200301008392 [610812-W])**

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

Kuala Lumpur  
14 July 2023

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

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

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**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

	<u>Note</u>	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
<b>INVESTMENT INCOME/ (LOSS)</b>			
Interest income from financial assets at amortised cost		11,559	6,598
Interest income from financial assets at fair value through profit or loss		2,040,645	2,396,574
Net (loss)/ gain on foreign currency exchange		(168,186)	345,409
Net loss on forward foreign currency contracts at fair value through profit or loss	12	(3,098,677)	(2,098,906)
Net gain/ (loss) on financial assets at fair value through profit or loss	9	1,629,815	(8,057,373)
		<u>415,156</u>	<u>(7,407,698)</u>
<b>EXPENSES</b>			
Management fee	4	(83,660)	(93,391)
Trustee fee	5	(16,732)	(18,678)
Fund accounting fee	6	(3,250)	-
Auditors' remuneration		(4,148)	(4,148)
Tax agent's fee		(1,815)	(1,815)
Other expenses		(11,535)	(14,638)
		<u>(121,140)</u>	<u>(132,670)</u>
<b>NET PROFIT/ (LOSS) BEFORE TAXATION</b>		294,016	(7,540,368)
Taxation	7	(397,315)	(38,149)
<b>NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<u>(103,299)</u>	<u>(7,578,517)</u>
Net loss after taxation is made up of the following:			
Realised amount		(7,228,443)	(1,383,731)
Unrealised amount		7,125,144	(6,194,786)
		<u>(103,299)</u>	<u>(7,578,517)</u>

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2023**

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	11	5,956,267	1,986,034
Amount due from dealers		147,604	879,476
Financial assets at fair value through profit or loss	9	75,868,884	85,372,251
Forward foreign currency contracts at fair value through profit or loss	12	473,296	1,509,327
Tax recoverable		-	439
<b>TOTAL ASSETS</b>		<u>82,446,051</u>	<u>89,747,527</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	12	844,306	262,336
Amount due to dealers		2,598,117	1,169,442
Amount due to Manager			
- management fee		13,415	15,105
Amount due to Trustee		2,683	3,021
Fund accounting fee		1,083	-
Auditors' remuneration		4,148	4,148
Tax agent's fee		5,315	5,315
Tax payable		317,134	-
Deferred tax	10	257,481	-
Other payables and accruals		3,221	2,818
<b>TOTAL LIABILITIES</b>		<u>4,046,903</u>	<u>1,462,185</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>78,399,148</u>	<u>88,285,342</u>
<b>EQUITY</b>			
Unitholders' capital		91,870,532	93,819,510
Accumulated losses		(13,471,384)	(5,534,168)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>78,399,148</u>	<u>88,285,342</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<u>92,004,000</u>	<u>94,180,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.8521</u>	<u>0.9374</u>

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 December 2022	93,316,595	(11,700,152)	81,616,443
Total comprehensive loss for the financial period	-	(103,299)	(103,299)
Distribution (Note 8)	-	(1,667,933)	(1,667,933)
Movement in unitholders' capital:			
Cancellation of units	(1,446,063)	-	(1,446,063)
Balance as at 31 May 2023	<u>91,870,532</u>	<u>(13,471,384)</u>	<u>78,399,148</u>
Balance as at 1 December 2021	94,022,199	4,471,750	98,493,949
Total comprehensive loss for the financial period	-	(7,578,517)	(7,578,517)
Distribution (Note 8)	-	(2,427,401)	(2,427,401)
Movement in unitholders' capital:			
Cancellation of units	(202,689)	-	(202,689)
Balance as at 31 May 2022	<u>93,819,510</u>	<u>(5,534,168)</u>	<u>88,285,342</u>

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

	<u>Note</u>	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		16,681,504	13,031,341
Purchase of investments		(11,585,180)	(12,632,346)
Interest received		2,245,183	2,348,361
Management fee paid		(83,239)	(94,475)
Trustee fee paid		(16,648)	(18,895)
Fund accounting fee		(2,167)	-
Payment for other fees and expenses		(19,710)	(21,997)
Net realised gain on forward foreign currency contracts		15,543	73,909
Net realised gain on foreign currency exchange		1,229,844	273,340
		<hr/>	<hr/>
Net cash flows generating from operating activities		8,465,130	2,959,238
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for cancellation of units		(1,446,063)	(202,690)
Payments for distribution		(1,667,933)	(2,427,401)
		<hr/>	<hr/>
Net cash flows used in financing activities		(3,113,996)	(2,630,091)
		<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		5,351,134	329,147
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(88,969)	309,344
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		694,102	1,347,543
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	11	5,956,267	1,986,034
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Cash and cash equivalents as at 31 May 2022 comprise of bank balances.

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023**

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

**A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

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

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

(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 is not expected to have a material effect on the financial statements of the Fund.

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

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

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



**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**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.

**C 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 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 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 income 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.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

**D DISTRIBUTIONS**

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

**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.

**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-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 securities as fair value through other comprehensive income.

The contractual cash flows of the Fund's debt securities are solely 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 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 dealers, amount due to Manager, amount due to Trustee, fund accounting fee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (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 currency transactions are presented in the statement of comprehensive income within ‘net gain/(loss) on financial assets at fair value through profit and 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.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

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

(iii) Impairment

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

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

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

**H CASH AND CASH EQUIVALENTS**

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

**I AMOUNTS 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 due from dealer's balance is held for collection. Refer to Note G for accounting policy on recognition and measurement.

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

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

**J 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 period 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 NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (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 negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively.

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

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

**L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

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

**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 Unit Trust Funds.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023**

**1 INFORMATION ON THE FUND**

The Unit Trust Fund was constituted under the name Affin Hwang Flexible Maturity Income Fund 15 (the "Fund") pursuant to the execution of a Deed dated 23 September 2019 and First Supplemental Deed dated 16 January 2023 (the "Deeds") entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the "Manager") and TMF Trustees Malaysia Berhad (the "Trustee"). The Fund has changed its name from Affin Hwang Flexible Maturity Income Fund 15 to AHAM Flexible Maturity Income Fund 15 as amended by First Supplemental Deed dated 16 January 2023.

The Fund commenced operations on 23 April 2020 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed or on maturity date of the Fund which falls on the fifth anniversary of the investment date or such earlier date in accordance with the provisions of the Deed or subject to the early maturity feature.

The Fund may invest in any of the following investments:

- (a) Debentures;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives;
- (e) Structured products; 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 Unit Trust Funds, the Deeds 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 14 July 2023.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through profit <u>or loss</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	5,956,267	-	5,956,267
Amount due from dealers		147,604	-	147,604
Unquoted fixed income securities	9	-	75,868,884	75,868,884
Forward foreign currency contracts	12	-	473,296	473,296
Total		<u>6,103,871</u>	<u>76,342,180</u>	<u>82,446,051</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	12	-	844,306	844,306
Amount due to dealers		2,598,117	-	2,598,117
Amount due to Manager				
- management fee		13,415	-	13,415
Amount due to Trustee		2,683	-	2,683
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		4,148	-	4,148
Tax agent's fee		5,315	-	5,315
Other payables and accruals		3,221	-	3,221
Total		<u>2,627,982</u>	<u>844,306</u>	<u>3,472,288</u>



**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through profit <u>or loss</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	1,986,034	-	1,986,034
Amount due from dealers		879,476	-	879,476
Unquoted fixed income securities	9	-	85,372,251	85,372,251
Forward foreign currency contracts	12	-	1,509,327	1,509,327
Total		<u>2,865,510</u>	<u>86,881,578</u>	<u>89,747,088</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	12	-	262,336	262,336
Amount due to dealers		1,169,442	-	1,169,442
Amount due to Manager				
- management fee		15,105	-	15,105
Amount due to Trustee		3,021	-	3,021
Auditors' remuneration		4,148	-	4,148
Tax agent's fee		5,315	-	5,315
Other payables and accruals		2,818	-	2,818
Total		<u>1,199,849</u>	<u>262,336</u>	<u>1,462,185</u>

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

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of 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>2023</u> RM	<u>2022</u> RM
<b>Unquoted investments</b>		
Unquoted fixed income securities*	75,868,884	85,372,251

\* Includes interest receivable of RM947,066 (2022: RM1,147,024).

The following table summarises the sensitivity of the Fund's loss after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2022: 1%) and decreased by 5% (2022: 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 price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>loss after</u> <u>tax/NAV</u> RM
<u>2023</u>		
-5%	71,175,727	(3,746,091)
0%	74,921,818	-
+5%	78,667,909	3,746,091
<u>2022</u>		
-1%	83,382,975	(842,252)
0%	84,225,227	-
+1%	85,067,479	842,252

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Market risk

(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.

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 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% (2021: 2%) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on loss after tax/NAV</u>	
	<u>2023</u> RM	<u>2022</u> RM
+ 2% (2022: 2%)	(686,718)	(811,754)
- 2% (2022: 2%)	672,662	827,616

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

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

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

Market risk (continued)

(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.

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

	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealers</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>2023</u>					
<u>Financial assets</u>					
Australian Dollar	22,085	-	552,406	-	574,491
Chinese Yuan	33,692	-	-	961	34,653
Singapore Dollar	172,239	-	9,989,952	-	10,162,191
United States Dollar	4,283,403	147,604	65,326,526	472,335	70,229,868
	<u>4,511,419</u>	<u>147,604</u>	<u>75,868,884</u>	<u>473,296</u>	<u>81,001,203</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			9,590	-	9,590
Singapore Dollar			350,562	-	350,562
United States Dollar			484,154	2,598,117	3,082,271
			<u>844,306</u>	<u>2,598,117</u>	<u>3,442,423</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealers</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>2022</u>					
<u>Financial assets</u>					
Australian Dollar	-	-	592,154	-	592,154
Chinese Yuan	1,934	-	567,458	-	569,392
Singapore Dollar	1,802,415	-	11,409,718	-	13,212,133
United States Dollar	173,474	879,476	72,802,921	1,509,327	75,365,198
	<u>1,977,823</u>	<u>879,476</u>	<u>85,372,251</u>	<u>1,509,327</u>	<u>89,738,877</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			23,038	-	23,038
Chinese Yuan			1,459	-	1,459
Singapore Dollar			157,669	32,514	190,183
United States Dollar			80,170	875,100	955,270
			<u>262,336</u>	<u>907,614</u>	<u>1,169,950</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2022: 10%) with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 10% (2022: 10%). 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 RM</u>
<u>2023</u>		
Australia Dollar	+/- 10	+/- 56,490
Chinese Yuan	+/- 10	+/- 3,465
Singapore Dollar	+/- 10	+/- 981,163
United States Dollar	+/- 10	<u>+/- 6,714,760</u>
<u>2022</u>		
Australia Dollar	+/- 10	+/-56,912
Chinese Yuan	+/- 10	+/-56,793
Singapore Dollar	+/- 10	+/- 1,302,195
United States Dollar	+/- 10	<u>+/- 7,440,993</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 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 Unit Trust Funds.

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 Deeds and SC's Guidelines on Unit Trust Funds.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (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:

	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealers</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>2023</u>					
Basic Materials					
- Ba3	-	-	1,153,591	-	1,153,591
- Baa2	-	-	5,468,890	-	5,468,890
- Baa3	-	-	1,839,996	-	1,839,996
- BBB+	-	-	1,368,504	-	1,368,504
Consumer Discretionary					
- Baa1	-	-	1,630,116	-	1,630,116
- Baa3	-	-	1,781,702	-	1,781,702
- BBB+	-	-	1,864,081	-	1,864,081
- BBB-	-	-	4,276,182	-	4,276,182
Financial Services					
- AA3	-	-	-	60,578	60,578
- AAA	5,956,267	-	-	412,718	6,368,985
- Ba1	-	-	4,404,064	-	4,404,064
- Baa1	-	-	5,698,059	-	5,698,059
- Baa2	-	-	3,538,139	-	3,538,139
- BBB-	-	-	5,624,192	-	5,624,192
- BBB	-	-	11,585,328	-	11,585,328
- BBB+	-	-	3,418,333	-	3,418,333
- NR	-	-	1,717,042	-	1,717,042
Government					
- Aaa	-	-	2,262,051	-	2,262,051
Industrials					
- A2	-	-	930,748	-	930,748
- Baa1	-	-	3,591,580	-	3,591,580
- NR	-	-	3,763,828	-	3,763,828
Real Estate					
- Baa1	-	-	845,511	-	845,511
- BBB-	-	-	1,592,731	-	1,592,731
- C	-	-	482,304	-	482,304
- Caa	-	147,604	189,640	-	337,244
Technology					
- Baa3	-	-	6,842,272	-	6,842,272
	<u>5,956,267</u>	<u>147,604</u>	<u>75,868,884</u>	<u>473,296</u>	<u>82,446,051</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (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)

	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealers</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>2022</u>					
Basic Materials					
- Ba3	-	-	1,115,466	-	1,115,466
- Baa2	-	-	5,298,824	-	5,298,824
- BBB+	-	-	1,327,629	-	1,327,629
Consumer Discretionary					
- Ba2	-	-	4,097,213	-	4,097,213
- Baa3	-	-	1,707,689	-	1,707,689
- BBB+	-	-	1,815,798	-	1,815,798
Financial Services					
- AA2	-	-	-	169,066	169,066
- AA3	-	-	-	304,662	304,662
- AAA	1,986,034	-	-	1,028,977	3,015,011
- Ba2	-	-	1,653,678	-	1,653,678
- Baa1	-	-	3,147,927	-	3,147,927
- Baa2	-	-	3,455,108	-	3,455,108
- Baa3	-	-	8,962,470	-	8,962,470
- BB-	-	-	875,624	-	875,624
- BBB-	-	-	9,992,389	-	9,992,389
- BBB	-	-	7,107,738	-	7,107,738
- BBB+	-	-	3,415,968	-	3,415,968
- NR	-	-	-	6,622	6,622
Government					
- Baa2	-	879,476	-	-	879,476
Industrials					
- Baa1	-	-	6,711,316	-	6,711,316
- Baa2	-	-	3,527,465	-	3,527,465
- NR	-	-	1,840,423	-	1,840,423
Real Estate					
- B	-	-	709,877	-	709,877
- B3	-	-	2,139,204	-	2,139,204
- Baa1	-	-	840,219	-	840,219
- BB-	-	-	2,787,019	-	2,787,019
- BB	-	-	567,458	-	567,458
- BBB-	-	-	5,918,718	-	5,918,718
- Caa	-	-	636,010	-	636,010
Technology					
- Baa2	-	-	4,142,432	-	4,142,432
- Baa3	-	-	1,578,589	-	1,578,589
	<u>1,986,034</u>	<u>879,476</u>	<u>85,372,251</u>	<u>1,509,327</u>	<u>89,747,088</u>



**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Liquidity risk

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

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

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

	<u>Within one month</u> RM	<u>Between one month to one-year</u> RM	<u>Total</u> RM
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	108,811	735,495	844,306
Amount due to dealers	2,598,117	-	2,598,117
Amount due to Manager			
- management fee	13,415	-	13,415
Amount due to Trustee	2,683	-	2,683
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	4,148	4,148
Tax agent's fee	-	5,315	5,315
Other payables and accruals	-	3,221	3,221
	<u>2,724,109</u>	<u>748,179</u>	<u>3,472,288</u>
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	-	262,336	262,336
Amount due to dealers	1,169,442	-	1,169,442
Amount due to Manager			
- management fee	15,105	-	15,105
Amount due to Trustee	3,021	-	3,021
Auditors' remuneration	-	4,148	4,148
Tax agent's fee	-	5,315	5,315
Other payables and accruals	-	2,818	2,818
	<u>1,187,568</u>	<u>274,617</u>	<u>1,462,185</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

Capital risk

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

**3 FAIR VALUE ESTIMATION**

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

The fair value of financial assets traded in active 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 current bid price for financial assets which falls within the bid-ask spread.

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

The fair value of financial assets 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 FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

**3 FAIR VALUE ESTIMATION (CONTINUED)**

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	75,868,884	-	75,868,884
- forward foreign currency contracts	-	473,296	-	473,296
	-	76,342,180	-	76,342,180
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	844,306	-	844,306
<u>2022</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	85,372,251	-	85,372,251
- forward foreign currency contracts	-	1,509,327	-	1,509,327
	-	86,881,578	-	86,881,578
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	262,336	-	262,336

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.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

**3 FAIR VALUE ESTIMATION (CONTINUED)**

- (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.

**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.

For the 6 months financial period ended 31 May 2023, the management fee is recognised at a rate of 0.20% (2022: 0.20%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

**5 TRUSTEE FEE**

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

For the 6 months financial period ended 31 May 2023, the Trustee fee is recognised at a rate of 0.04% (2022: 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 Prospectus.

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

**6 FUND ACCOUNTING FEE**

The fund valuation and accounting fee for the financial period is RM3,250 (2022:RM Nil).

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

**7 TAXATION**

	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
Current taxation	495,175	38,149
Deferred tax (Note 10)	(97,860)	-
	<u>397,315</u>	<u>38,149</u>

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

	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
Net (loss)/profit before taxation	<u>294,016</u>	<u>(7,540,368)</u>
Tax at Malaysian statutory rate 24% (2022: 24%)	70,564	(1,809,688)
Tax effects of:		
Investment income not subject to tax	299,785	1,777,848
Expenses not deductible for tax purposes	8,000	2,360
Restriction on tax deductible expenses for Unit Trust Funds	18,966	29,481
Income subject to different tax rate	-	38,149
Tax expense	<u>397,315</u>	<u>38,149</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

**8 DISTRIBUTION**

	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	1,667,933	2,427,401
Gross realised income	1,667,933	2,427,401
Less: Expenses	-	-
Net distribution amount	<u>1,667,933</u>	<u>2,427,401</u>
Gross/Net distribution per unit (sen)	<u>1.8100</u>	<u>2.5750</u>
Ex-date	<u>25.4.2023</u>	<u>25.4.2022</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 distribution for the financial period is an amount of RM1,667,933 (2022: RM2,427,401) made from previous year's realised income.

The Fund has incurred an unrealised loss of RM Nil (2022: 6,194,786) for the financial period ended 31 May 2023.

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

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – foreign	<u>75,868,884</u>	<u>85,372,251</u>
	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
Net gain/ (loss) on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(8,546,300)	(3,625,185)
- unrealised gain/ (loss) on changes in fair value	10,176,115	(4,432,188)
	<u>1,629,815</u>	<u>(8,057,373)</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

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

(a) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 31 May 2023 are as follows:

<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</u>				
2.625% AAC Technologies Holdings Inc Call: 02.05.2026 (Baa3)	922,100	756,667	785,769	1.00
3.000% AAC Technologies Holdings Inc Call: 27.11.2023 (Baa3)	4,610,500	4,283,561	4,361,226	5.56
5.750% Argentum Netherlands BV Swiss Call: 15.08.2025 (BBB+)	1,844,200	1,817,994	1,864,081	2.38
6.500% Asahi Mutual Life Insurance Co Call: 05.09.2023 (BBB)	4,610,500	4,598,358	4,665,954	5.95
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	597,700	608,389	552,406	0.70
4.100% Chinalco Capital Holdings Ltd Call: 11.09.2024 (BBB+)	1,383,150	1,303,344	1,368,504	1.75
4.750% CK Hutchison Intl 23 Ltd Call 21.03.2028 (A2)	922,100	939,440	980,772	1.25
3.375% CNAC HK Finbridge Co Ltd 19.06.2024 (Baa2)	2,305,250	2,204,770	2,285,396	2.91
3.350% CNAC HK Finbridge Co Ltd Call: 22.09.2023 (Baa3)	1,844,200	1,752,855	1,839,996	2.35
5.625% Credit Suisse Group AG Call: 06.06.2024 (C) *	1,701,250	1,531,847	-	-
6.250% Credit Suisse Group AG Call: 18.12.2024 (NR) *	922,100	849,983	-	-
5.000% Dah Sing Bank Ltd Call: 15.01.2024 (Baa1)	1,613,675	1,553,466	1,621,241	2.07
3.300% DBS Group Holdings Ltd Call: 27.02.2025 (Baa1)	3,688,400	3,458,399	3,524,412	4.50
2.625% Far East Horizon Ltd 03.03.2024 (BBB-)	922,100	866,661	887,537	1.13
3.375% Far East Horizon Ltd 18.02.2025 (NR)	1,844,200	1,716,950	1,717,042	2.19
4.125% Ford Motor Credit Co LLC 20.06.2024 (BBB-)	4,253,125	3,829,124	4,276,182	5.45
4.000% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	1,844,200	1,724,612	1,781,702	2.27
5.500% Huarong Finance II Co Ltd 16.01.2025 (Ba1)	4,610,500	4,537,578	4,404,065	5.62
8.250% Indika Energy Capital IV Call: 26.06.2023 (Ba3)	1,152,625	1,103,774	1,153,591	1.47
4.750% Indonesia Asahan Aluminium Tbk Call: 15.04.2025 (Baa2)	3,227,350	3,047,468	3,183,494	4.06

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

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

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

(i) Unquoted fixed income securities – foreign as at 31 May 2023 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>				
3.150% Mapletree Industrial Trust Call: 11.05.2026 (BBB-)	1,701,250	1,543,333	1,592,731	2.03
2.125% Meituan Call: 28.09.2025 (Baa3)	1,844,200	1,617,242	1,695,277	2.16
3.100% MINOR Intl PCL Call: 29.06.2023 (Baa1)	1,613,675	1,555,916	1,630,116	2.08
3.8% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	3,688,400	3,396,226	3,538,139	4.51
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	3,688,400	3,523,760	3,418,333	4.36
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB)	3,227,350	2,987,285	2,798,334	3.57
6.950% Powerlong Real Estate Call: 20.06.2023 (Caa)	922,100	851,200	139,616	0.18
6.750% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	4,610,500	4,814,451	4,736,655	6.04
4.750% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	922,100	840,028	845,511	1.08
3.550% Sepco Virgin Ltd Call: 25.10.2024 (Baa1)	3,688,400	3,472,409	3,591,580	4.58
6.75% Times China Holdings Ltd Call: 15.06.2023 (C) **	5,071,550	4,789,626	482,304	0.62
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	4,253,125	3,859,699	4,121,039	5.26
0.125% United States Treasury N/B 15.10.2023 (Aaa)	2,305,250	2,173,899	2,262,051	2.89
8.1% Yinson Juniper Ltd Call: 29.03.2024 (NR)	3,688,400	3,507,321	3,763,828	4.80
Total unquoted fixed income securities – foreign	<u>86,043,925</u>	<u>81,417,635</u>	<u>75,868,884</u>	<u>96.77</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(5,548,751)</u>		
Total unquoted fixed income securities – foreign		<u>75,868,884</u>		



**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
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**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2023 (CONTINUED)**

**9 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 31 May 2022 are as follows:

<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</u>				
3.000% AAC Technologies Holdings Inc Call: 27.11.2022 (Baa2)	4,375,500	4,231,870	4,142,432	4.69
5.750% Argentum Netherlands BV Swiss Call: 15.08.2025 (BBB+)	1,750,200	1,813,390	1,815,798	2.06
6.500% Asahi Mutual Life Insurance Co Call: 05.09.2023 (BBB-)	4,375,500	4,598,015	4,516,950	5.12
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	628,600	608,693	592,154	0.67
4.100% Chinalco Capital Holdings Ltd Call: 11.09.2024 (BBB+)	1,312,650	1,302,461	1,327,629	1.50
3.550% CIFI Holdings Group Co Ltd Call: 07.11.2022 (BB-)	3,500,400	3,458,455	2,787,019	3.16
5.850% CIFI Holdings Group Co Ltd Call: 19.08.2022 (BB)	655,910	601,467	567,458	0.64
3.375% CNAC HK Finbridge Co Ltd 19.06.2024 (Baa2)	2,187,750	2,208,077	2,215,725	2.51
8.000% Country Garden Holdings Co Ltd Call: 27.06.2022 (BBB-)	5,688,150	5,572,850	4,373,176	4.95
5.625% Credit Suisse Group AG Call: 06.06.2024 (Ba2)	1,598,100	1,576,171	1,653,678	1.87
6.250% Credit Suisse Group AG Call: 18.12.2024 (BB-)	875,100	863,134	875,624	0.99
3.300% DBS Group Holdings Ltd Call: 27.02.2025 (Baa1)	2,625,300	2,533,636	2,555,773	2.90
2.625% Far East Horizon Ltd 03.03.2024 (BBB-)	875,100	842,909	837,135	0.95
4.125% Ford Motor Credit Co LLC 20.06.2024 (Ba2)	3,995,250	3,688,638	4,097,213	4.64
4.000% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	1,750,200	1,680,394	1,707,689	1.94
5.500% Huarong Finance II Co Ltd 16.01.2025 (Baa3)	4,375,500	4,609,302	4,485,872	5.08
6.250% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	4,375,500	4,346,589	4,476,598	5.07
2.250% Huaxin Cement Intl. Finance Co 19.11.2025 (Baa1)	3,500,400	3,289,109	3,232,444	3.66
8.250% Indika Energy Capital IV Call: 22.10.2022 (Ba3)	1,093,875	1,103,249	1,115,466	1.26
4.750% Indonesia Asahan Aluminium Tbk Call: 15.04.2025 (Baa2)	3,062,850	3,044,084	3,083,099	3.49
7.400% KWG Group Holdings Ltd Call: 27.06.2022 (B)	2,187,750	2,178,597	709,877	0.81

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**9 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 31 May 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>				
3.150% Mapletree Industrial Trust Call: 11.05.2026 (BBB-)	1,598,100	1,543,146	1,545,542	1.75
3.250% MCC Holding Hong Kong Corp Ltd Call: 12.03.2023 (Baa2)	3,500,400	3,458,184	3,527,465	4.00
2.125% Meituan Call: 28.09.2025 (Baa3)	1,750,200	1,563,980	1,578,589	1.79
3.800% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	3,500,400	3,382,400	3,455,108	3.91
4.750% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	3,500,400	3,538,801	3,415,968	3.87
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB)	3,062,850	2,937,452	2,994,453	3.39
4.90% Powerlong Real Estate Call: 13.05.2024 (Caa)	875,100	821,718	186,790	0.21
5.950% Powerlong Real Estate Call: 30.04.2023 (Caa)	875,100	831,394	196,131	0.22
6.950% Powerlong Real Estate Call: 27.06.2022 (Caa)	875,100	863,128	253,089	0.29
6.750% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	4,375,500	4,815,301	4,638,304	5.25
4.750% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	875,100	839,514	840,219	0.95
3.55% Sepco Virgin Ltd Call: 25.10.2024 (Baa1)	3,500,400	3,449,099	3,478,872	3.94
6.750% Times China Holdings Ltd Call: 16.07.2022 (B3)	4,813,050	4,880,236	2,139,204	2.42
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	3,995,250	3,859,726	4,113,285	4.66
8.100% Yinson Juniper Ltd Call: 29.03.2024 (NR)	1,750,200	1,728,157	1,840,423	2.09
Total unquoted fixed income securities – foreign	<u>93,636,735</u>	<u>92,663,326</u>	<u>85,372,251</u>	<u>96.70</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(7,291,075)</u>		
Total unquoted fixed income securities – foreign		<u>85,372,251</u>		

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

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

\* Credit Suisse Group AG

The Credit Suisse Group was experiencing a crisis of confidence in mid March 2023, which has resulted in considerable outflows of deposits. This was intensified by the upheavals in the US banking market in early March 2023. There was a risk of the bank becoming illiquid, even if it remained solvent, and the regulators deemed it necessary to act in order to prevent serious damage to the Swiss and international financial markets. Following this on 19 March 2023, the Swiss Financial Market Supervisory Authority (“FINMA”) has announced its approval for the takeover of Credit Suisse Group by UBS Group. The details of UBS’s proposed merger transaction with Credit Suisse (“CS”) were still being worked out and subject to customary closing conditions. According to the press release by CS, it is expected to complete by end of 2023 if possible.

According to FINMA, while the transaction has prevented the bankruptcy of Credit Suisse, the extraordinary government support will trigger a complete write-down of the nominal value of all Additional Tier 1 (“AT1”) bonds of Credit Suisse in the amount of around CHF 16 billion. This has a direct impact on the fund where the underlying bond is the 5.6250% Credit Suisse Group AG (06.06.2024) and 6.2500% Credit Suisse Group AG (Call: 18.12.2024).

The decision to fully write down CHF 16 billion of CS Additional Tier-1 (“AT1”) bonds rattled global investors, surprised not only that a large Swiss bank had failed, but also that the order of absorbing losses was reversed. Under the ordinary scenario, shareholders are the ones to be hit first, and only after equity values are erased, AT1 bond holders were to take a hit. In the case of CS, equity value remained, while AT1 bonds were completely cancelled. The complete write down of AT1 bonds issued by a bank with every indication that it was solvent was unprecedented. As of the time of writing, CS has not issued any formal notice to AT1 bond holders that the value of AT1 is zero.

The Swiss Parliament has convened an extraordinary assembly on 12 April, to debate the special ordinance that provides liquidity assistance which is cited as the reason to trigger a write down of the value of AT1 bond holders on 19 March 2023. The Swiss parliament has then rejected the Credit Suisse rescue package, however the vote is largely symbolic as the government commitment, made using emergency law which cannot be overturned.

The situation remains fluid and with the ongoing developments on the following items i.e. the completion of merger transaction, formal notice by CS to AT1 bond holders, the upcoming parliament discussion about emergency ordinance and potential legal options pursued by the Manager.

The Manager is keeping abreast of the ongoing development, seeking legal advice and exploring the feasibility with various law firms on class action suits. The Manager is also engaging with large global peers with CS AT1 exposures for their viewpoint and next course of action.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

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

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

\*\* Times China Holdings Ltd

The Company officially defaulted on their offshore debt obligations after not being able to cure their missed coupons, for 6.6% senior notes due 2023, within the 30 days grace period which ended on 30 December 2022. The default highlighted the tough operating environment and tight liquidity positions of the smaller developers. According to the Bloomberg news in 9 February 2023, Times China is in the midst of engaging their onshore holders to extend all of their onshore bonds. They proposed to repay the bonds which they have extended previously by around 3.5 years, while the ones that they have not extended before, they are looking to extend repayment by 4.5 years. Instalment payments will start from November 2024 or December 2024 on a quarterly basis if approved. Subsequently, per Caixin's news on 23 February 2023, the payment extension period for all their onshore debt will be shortened by half a year and bondholders is to be scheduled to meet between 23 February 2023 to 3 March 2023. It is unclear whether the proposal has been approved. The Fund's exposure is in the USD bonds. If the onshore bond restructuring progresses well, it should help push through the restructuring talks for offshore bond investors. The Manager awaits further details on the restructuring plan of the offshore bonds. Times China's bonds are still tradable in the market as at the date of the financial statements.

In terms of rating actions, Moody's downgraded Times' issuer ratings by multiple notches in 2022, from B1 to Caa1. Their rating was further downgraded in January 2023 to Ca (negative outlook) after their notice to inform that they did not cure the missed coupon interest payments within the 30 days grace period. S&P downgraded Times' rating in January 2022 from BB- to B+ and subsequently withdrawn their ratings in May 2022. Fitch downgraded Times' issuer ratings by multiple notches in 2022, from BB- to CC before it was withdrawn in November 2022.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**10 DEFERRED TAX LIABILITIES**

	<u>2023</u> RM	<u>2022</u> RM
Deferred tax liabilities	257,481	-

The movements in the deferred tax liabilities balances are as follows:

	<u>2023</u> RM	<u>2022</u> RM
Balance at the beginning of the financial period	355,341	-
Transfer to income statement (Note 7)	(97,860)	-
Balance as at the end of the financial year	257,481	-

Foreign interest receivables on financial assets at fair value through profit or loss

**11 CASH AND CASH EQUIVALENTS**

	<u>2023</u> RM	<u>2022</u> RM
Cash and bank balances	4,534,374	1,986,034
Deposit with a licensed financial institution	1,421,893	-
	5,956,267	1,986,034

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

	<u>2023</u> %	<u>2022</u> %
Deposit with a licensed financial institution	3.00	-

The deposit with a licensed financial institution has an average maturity of 1 (2022: Nil) day.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**12 FORWARD FOREIGN CURRENCY CONTRACTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

As at the date of statement of financial position, there are 18 (2022: 18) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM76,082,357 (2022: RM89,113,091). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Singapore Dollar and United States Dollar. As the Fund has not adopted hedge accounting during the financial period, the changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	473,296	1,509,327
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	844,306	262,336
	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised gain on forward foreign currency contracts	1,359,809	73,910
- realised gain/ (loss) on forward foreign currency contracts	4,961,487	(2,172,816)
	<u>(3,098,677)</u>	<u>(2,098,906)</u>

(i) Forward foreign currency contracts as at 31 May 2023 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	21,380,775	21,618,404	(237,629)	(0.30)
BNP Paribas Malaysia Bhd	12,052,368	12,422,088	(369,720)	(0.47)
CIMB Bank Bhd	36,196,660	35,783,942	412,718	0.53
J.P. Morgan Chase Bank Bhd	4,359,174	4,466,275	(107,101)	(0.14)
Bank of America Malaysia Bhd	2,093,380	2,162,658	(69,278)	(0.09)
Total forward foreign currency contracts	<u>76,082,357</u>	<u>76,453,367</u>	<u>(371,010)</u>	<u>(0.47)</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**12 FORWARD FOREIGN CURRENCY CONTRACTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

(ii) Forward foreign currency contracts as at 31 May 2022 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	21,380,775	21,178,708	202,068	0.23
Bank of America Malaysia Bhd	9,879,040	9,932,511	(53,471)	(0.06)
BNP Paribas Malaysia Bhd	11,435,015	11,329,131	105,885	0.12
CIMB Bank Bhd	36,620,135	35,592,616	1,027,518	1.16
J.P. Morgan Chase Bank Bhd	9,798,126	9,833,134	(35,009)	(0.04)
Total forward foreign currency contracts	<u>89,113,091</u>	<u>87,866,100</u>	<u>1,246,991</u>	<u>1.41</u>

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

**13 NUMBER OF UNITS IN CIRCULATION**

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of the financial period	93,593,000	94,385,000
Cancellation of units	(1,589,000)	(205,000)
Balance as at the end of financial period	<u>92,004,000</u>	<u>94,180,000</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**14 TRANSACTIONS WITH DEALERS**

- (i) Details of transactions with the top 10 dealers for the 6 months financial period ended 31 May 2023 are as follows:

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
Nomura Singapore Ltd	7,631,745	31.32
Barclays Bank PLC	3,819,828	15.68
Morgan Stanley Asia Ltd	3,053,601	12.53
Australia & New Zealand Banking Group Ltd	2,432,662	9.98
Haitong International Securities Company Ltd	1,740,948	7.14
Citigroup Global Markets	1,666,184	6.84
Jefferies International Ltd	1,522,560	6.25
MarketAxess Holdings Inc	891,432	3.66
HSBC Banking Corporation Ltd	884,510	3.63
JP Morgan Chase Bank Bhd	723,259	2.97
	<u>24,366,729</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the 6 months financial period ended 31 May 2022 are as follows:

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
DBS Bank Ltd	6,393,328	22.87
Bank of America	3,680,953	13.16
Barclays Bank PLC	2,672,690	9.56
Citi Securities Brokerage (HK) Ltd	2,515,455	9.00
Haitong International Securities Company Ltd	2,167,623	7.75
BNP Paribas Securities	2,159,958	7.72
Australia & New Zealand Banking Group Ltd	2,124,821	7.60
Standard Chartered Bank Malaysia Bhd	1,646,002	5.89
HSBC Banking Corporation Limited	1,461,360	5.23
HSBC Bank Malaysia Bhd	866,433	3.10
Others	2,269,872	8.12
	<u>27,958,495</u>	<u>100.00</u>



**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**14 TRANSACTIONS WITH DEALERS (CONTINUED)**

# Included in the transactions with dealers are cross trades conducted between the Fund and private mandates managed by the Manager amounting to:

<u>Name of dealer</u>	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
MarketAxess Holdings Inc	891,432	-

The cross trades are conducted between the Fund and private mandates managed by the Manager as follows:

	6 months financial period ended <u>31.5.2023</u> RM	6 months financial period ended <u>31.5.2022</u> RM
Private Mandates managed by the Manager	891,432	-

**15 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
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 holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**15 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>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager
Nikko Asset Management Co., Ltd (“NAM”)	Substantial shareholder of the Manager
AHAM Asset Management Berhad (formerly known as Affin Hwang 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 (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

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

	<u>2023</u>		<u>2022</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the units are held legally for booking purposes)	3,575	3,046	2,728	2,557
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	-	-	2,289,320	2,146,009
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**16 TOTAL EXPENSE RATIO (“TER”)**

6 months financial period ended <u>31.5.2023</u> %	6 months financial period ended <u>31.5.2022</u> %
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TER	<u>0.14</u>	<u>0.14</u>
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TER is derived from the following calculation:

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

- A = Management fee
- 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 period calculated on a daily basis is RM83,889,465 (2022: RM93,647,100).

**17 PORTFOLIO TURNOVER RATIO (“PTR”)**

6 months financial period ended <u>31.5.2023</u>	6 months financial period ended <u>31.5.2022</u>
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PTR (times)	<u>0.24</u>	<u>0.17</u>
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PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM14,183,297 (2022: RM13,801,788)  
total disposal for the financial period = RM26,684,469 (2022: RM17,773,276)

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

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

**18 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD**

Change in corporate shareholding of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad).

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, AHAM Asset Management (formerly known as Affin Hwang Asset Management Berhad) Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

Change in substantial shareholders of AHAM Asset Management Berhad (formerly known as Affin Hwang 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 (formerly known as Affin Hwang Asset Management Berhad) to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT") resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

**AHAM FLEXIBLE MATURITY INCOME FUND 15**  
**(FORMERLY KNOWN AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 15)**

**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 (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 41 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2023 and of its financial performance, changes in equity and cash flows for the 6 months financial period ended 31 May 2023 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

For and on behalf of the Manager,  
**AHAM ASSET MANAGEMENT BERHAD**  
**(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD)**

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

Kuala Lumpur  
14 July 2023

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

AHAM Asset Management Berhad  
(FKA Affin Hwang Asset Management Berhad)  
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Toll free no : 1-800-88-7080  
Email: [customercare@aham.com.my](mailto:customercare@aham.com.my)

### **PERAK**

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Fax : 05 – 255 9696

### **PETALING JAYA**

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(FKA Affin Hwang Asset Management Berhad)  
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Selangor

Tel : 03 – 7760 3062

### **MELAKA**

AHAM Asset Management Berhad  
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