



**ANNUAL REPORT**  
31 May 2024

# AHAM Total Return Fund

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

Trustee  
CIMB Commerce Trustee Berhad  
(313031-A)

**Built On Trust**

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# AHAM TOTAL RETURN FUND

**Annual Report and Audited Financial Statements  
For the Financial Period from 1 June 2023 to 31 May 2024 (Date of Termination)**

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## FUND INFORMATION

Fund Name	AHAM Total Return Fund
Fund Type	Income & Growth
Fund Category	Derivatives (Wholesale)
Investment Objective	The Fund seeks to provide total return over the medium to long-term investment horizon.
Benchmark	USD Libor 3 months +1.5%
Distribution Policy	The Fund is expected to provide annual distribution subject to the availability of income.

## FUND PERFORMANCE DATA

Category	As at 31 May 2024 (%)	As at 31 May 2023 (%)	As at 31 May 2022 (%)
Portfolio Composition			
<b>Unquoted derivative – total return swap</b>	<b>0.00</b>	<b>98.76</b>	<b>97.96</b>
<b>Cash &amp; cash equivalent</b>	<b>100.00</b>	<b>1.24</b>	<b>2.04</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Currency class	USD Class	USD Class	USD Class
Total NAV (in million)	0.039	5.752	10.968
NAV per unit (in respective currencies)	0.8200	0.7812	0.8649
Unit in Circulation (million)	0.047	7.363	12.682
Highest NAV	0.8269	0.8634	1.0827
Lowest NAV	0.7687	0.7412	0.8582
Return of the Fund (%)	4.97	-9.68	-18.76
- Capital Return (%)	4.97	-9.68	-18.76
- Income Return (%)	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Total Expenses Ratio (%) <sup>1</sup>	1.19	1.11	1.10
Portfolio Turnover Ratio (times) <sup>2</sup>	0.71	0.42	0.06

**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	=	Capital return x Income return – 1

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

<sup>2</sup> The Fund's PTR was higher than previous year due to a lower average NAV of the Fund during the financial year.

### **Income Distribution / Unit Split**

No income distributions or unit splits were declared for the financial period from 1 June 2023 to 31 May 2024 (date of termination).

### **Income Distribution Breakdown**

No income distributions was declared for the financial period from 1 June 2023 to 31 May 2024 (date of termination).

### **Fund Performance**

Table 1: Performance of the Fund

	1 Year (1/6/23 - 31/5/24)	3 Years (1/6/21 - 31/5/24)	Since Commencement (10/1/20 - 31/5/24)
Fund	4.97%	(22.98%)	(18.00%)
Benchmark	7.12%	15.35%	18.56%
Outperformance	(2.15%)	(38.33%)	(36.56%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/23 - 31/5/24)	3 Years (1/6/21 - 31/5/24)	Since Commencement (10/1/20 - 31/5/24)
Fund	4.97%	(8.35%)	(4.43%)
Benchmark	7.12%	4.88%	3.96%
Outperformance	(2.15%)	(13.23%)	(8.39%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/6/23 - 31/5/24)	FYE 2023 (1/6/22 - 31/5/23)	FYE 2022 (1/6/21 - 31/5/22)	FYE 2021 (1/6/20 - 31/5/21)	FYE 2020 (10/1/20 - 31/5/20)
Fund	4.97%	(9.68%)	(18.76%)	13.52%	(6.22%)
Benchmark	7.12%	5.65%	1.92%	1.72%	1.04%
Outperformance	(2.15%)	(15.33%)	(20.68%)	11.80%	(7.26%)

Source of Benchmark: Bloomberg

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

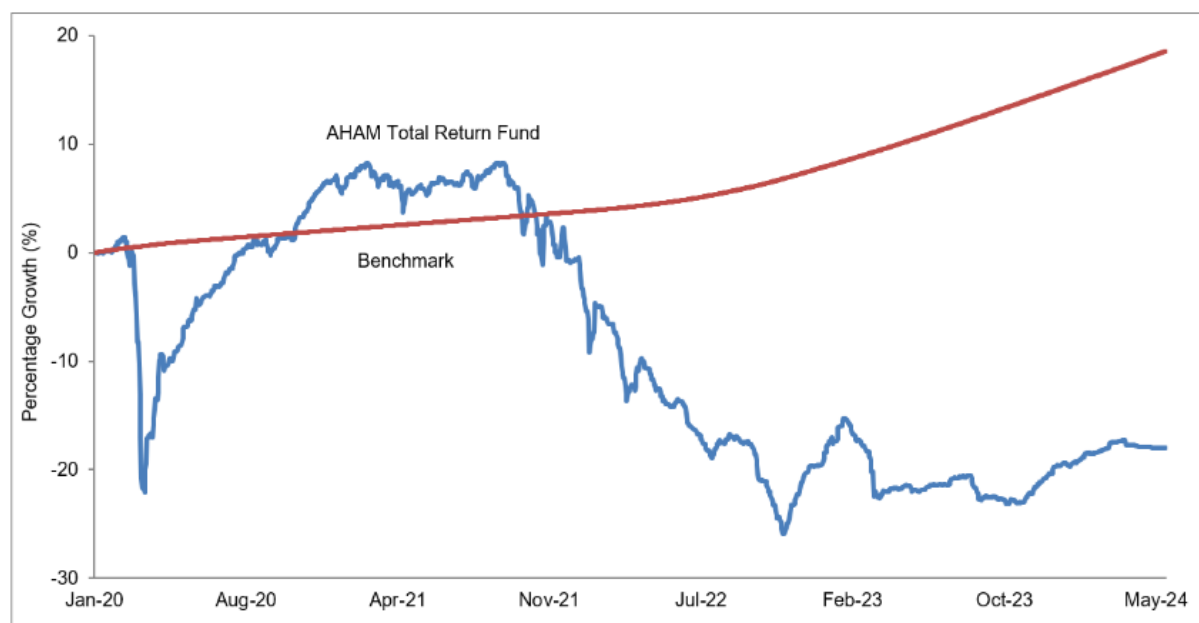
## MANAGER'S REPORT

### Performance Review (1 June 2023 to 31 May 2024)

For the period 1 June 2023 to 31 May 2024, the Fund registered a 4.97% return compared to the benchmark return of 7.12%. The Fund thus underperformed the Benchmark by 2.15%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2024 was USD0.8200 while the NAV as at 31 May 2023 was USD0.7812.

Since commencement, the Fund has registered a return of -18.00% compared to the benchmark return of 18.56%, underperforming by 36.56%.

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



*"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."*  
Benchmark: USD Libor 3 months +1.5%

### Asset Allocation

The Fund's asset allocation towards cash remained at 100% following the liquidation of the Fund's holdings in the financial period from 1 June 2023 to 31 May 2024 (date of termination).

### Strategies Employed

Upon a viability review and consultation with the Fund Trustee due to the relatively high fee and expenses arising from the small fund size, a decision that is in the best interest of the unit holder of the Fund was made to not continue with the management and operation of the Fund. The liquidation of the Fund commenced on 24 May 2024 and was completed by the Termination date, 31 May 2024.

### Market Review

As a recap, the global fixed income market has been presented with unprecedented challenges over the past 3 years. The aftermath of the Covid-19 pandemic, coupled with supply chain disruptions and geopolitical events, sparked a period of high inflation and robust global growth. In response, central banks globally adopted an aggressive stance, leading to one of the most severe interest rate hike cycles in history. The United States ("U.S.") Federal Reserve, for instance, raised interest rates by over 500 basis points ("bps") from March 2022 till July 2023. Moreover, central banks started Quantitative Tightening, reining in their balance sheets. These

measures triggered market adjustments, causing bond prices to decline. Over the period under review, U.S. treasury yields rose from 3.58%, peaked at 5% in October. Given the heightened volatility and unprecedented rate hikes, the Fund was impacted by some of the long duration exposure in most part of 2023. On a positive note, the Fed has stopped raising interest rates since the mid of 2023. Some notable key economic developments contributing to this was the gradual softening in the US labour market coupled with lower inflationary data. The year 2024 kickstarted with the U.S. government bond market pricing in high expectations of 6-7 interest rate cuts for full year 2024 which were then eventually repriced to 1-2 cuts. Economic data in the U.S. that even though showed signs of gradual softening, overall proved to be more resilient than markets have expected.

In the Asian credit landscape, the default crisis among China's property developers proved especially impactful. Over late 2021 to 2023, majority of China private developers defaulted on their bonds' obligations, including offshore bonds. What initially began with Evergrande's default spread rapidly, affecting even high-quality developers. This situation led to a significant risk-off sentiment and widespread credit spread widening, not only in the High Yield sector but also among Investment Grade names in the same industry. Over the reporting period, overall home sales data in China had remained soft as policy easing measures in the China property space were insufficient to lift home-buyer sentiment. Among the credit positioning, the Fund was detracted by the holdings that were exposed to Hong Kong property. Notwithstanding Hong Kong the revaluation losses posted by Hong Kong developers that caused by cap rate expansion and negative rental reversions, market concerns also focused on the Hong Kong developers that have China exposure.

As for global banking segment, in March 2023, financial markets grappled with the collapse of U.S. regional banks such as Silicon Valley bank and also the unprecedented write-off of Credit Suisse AT1, a global systematically important bank ("G-SIB"). Since then, investor sentiment was quick to reverse as bond prices of banks has substantially recovered. Market participants perceive these events to be isolated. The financial results of global banks continued to show resilience, suggesting healthy fundamentals.

In Malaysia, Bank Negara Malaysia has continuously kept the Overnight Policy Rate unchanged at 3% since the last hike seen in May 2023, supported by the relatively moderate inflation and the central bank's stance to support growth. This together with strong demand for Malaysian Ringgit ("MYR") denominated bonds translated to relatively resilient local bond market yields over the period under review.

Lastly, the Malaysian Government implemented the foreign sourced income tax that was applicable in 2022 and 2023. As a transition measure, the foreign sourced income received in Malaysia from 1 January 2022 until 30 June 2022 was to be taxed at a 3% rate on a gross basis. The foreign sourced income received in Malaysia from 1 July 2022 till end 2023 was to be subject to tax based on the prevailing income tax rate. This foreign sourced income tax on coupon and interest received affected the Fund's performance.

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

The Fund has been terminated on 31 May 2024 in the best interest of the Fund's unit holder due to the small size of the fund that hinders the Fund's ability to achieve effective portfolio diversification.

### **Soft Commissions received from Brokers**

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

- (i) goods and services provided are of demonstrable benefit to unit holder 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 manager on behalf of the fund.

### **Cross Trade**

No cross trade transactions were carried out over the financial year under review.

### **Securities Financing Transactions**

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

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

A Supplemental Deed and Replacement Information Memorandum is in place to reflect various changes made to the Fund with effective date 10 November 2023. These include the following, but is not limited to:

- i. change in the name of the Manager;
- ii. change in the name of the Fund;
- iii. updates to be in line with the issuance of the revised Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework ("Guidelines")

A list of changes made to the Fund is outlined in the following pages.



## Changes to the Information Memorandum

### 1) Name of the Manager

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
Affin Hwang Asset Management Berhad	AHAM Asset Management Berhad (Formerly known as Affin Hwang Asset Management Berhad)

### 2) Fund Name

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
Affin Hwang Total Return Fund	AHAM Total Return Fund (Formerly known as Affin Hwang Total Return Fund)

### 3) Definition

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<p><b>Business Day</b> Means a day on which Bursa Malaysia is open for trading.</p>	<p><b>Business Day</b> Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.</p>
<p><b>Sophisticated Investor</b> Refers to –</p> <ol style="list-style-type: none"> <li>(1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(2) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(6) a unit trust scheme or prescribed investment scheme;</li> <li>(7) a private retirement scheme;</li> <li>(8) a closed-end fund approved by SC;</li> <li>(9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(10) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(11) a statutory body established by an Act of Parliament or an enactment of any State;</li> <li>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];</li> <li>(13) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;</li> </ol>	<p><b>Sophisticated Investor</b> Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; (b) who acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other person as may be determined by the SC from time to time under the Guidelines. Note: For more information, please refer to our website at <a href="http://www.aham.com.my">www.aham.com.my</a> for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.</p>

<p>(14) a licensed institution as defined in the Financial Services Act 2013;</p> <p>(15) an Islamic bank as defined in the Islamic Financial Services Act 2013;</p> <p>(16) an insurance company licensed under the Financial Services Act 2013;</p> <p>(17) a takaful operator registered under the Islamic Financial Services Act 2013;</p> <p>(18) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [704];</p> <p>(19) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [705]; and</p> <p>(20) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.</p>	
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**4) Terminology updates**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
Structured products	Embedded Derivatives

**5) Investors' Profile**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<p>The Fund is suitable for you, if you:</p> <ul style="list-style-type: none"> <li>➤ seek total return through exposure in fixed income instruments;</li> <li>➤ have a medium term to long term investment horizon; and</li> <li>➤ have a high risk tolerance.</li> </ul>	<To be removed>

**6) Valuation of Assets**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<p>We will ensure that the valuation of the Fund is carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively. The valuation bases for the permitted investments of the Fund are as below:</p>	<p>We will ensure that the valuation of the Fund is carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively.</p>
<p><b>Derivatives and Structured Products</b>            The valuation of derivatives and structured products will be based on the price provided by the respective issuers or structurer. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporates all the relevant and available market data with respect to the derivatives and structured products (e.g. interest rates, movement of the underlying asset, volatility of the underlying assets, the correlation of the underlying assets and other such factors). For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>	<p>The valuation bases for the permitted investments of the Fund are as below:  <b>Derivatives and Embedded Derivatives</b>            Valuation of derivatives and embedded derivatives will be based on the prices provided by the respective issuers or structurers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives and embedded derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and other such factors). For foreign exchange forward contracts ("FX Forwards"), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Refinitiv. If the rates are not available on the Bloomberg or Refinitiv, the FX Forwards will be valued based on fair value as determined by the Manager in good faith, using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>
<p><b>Deposits</b>            Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the interests accrued thereon for the relevant period.</p>	<p><b>Deposits</b>            Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the interests accrued thereon for the relevant period.</p>
<p><b>Money Market Instruments</b>            The valuation of MYR denominated money market instruments will be done using the price quoted by a Bond Pricing Agency ("BPA") registered with the SC. For foreign money market instruments, valuation will be done using the average indicative yield quoted by an independent and reputable institution.</p>	<p><b>Money Market Instruments</b>            Valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.</p>
<p><b>Any Other Investment</b>            Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>	<p><b>Any Other Investments</b>            Fair value as determined in good faith by the Manager, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>

**7) Administrative Fees**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<p>Only fees and expenses that are directly related and necessary to the operations and administration of the Fund may be charged to the Fund. These include the following (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>• Commissions or fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;</li> <li>• (where the custodial function is delegated by the Trustee for the custody of foreign investments) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</li> <li>• Taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>• Costs, fee and expenses properly incurred by the auditor appointed for the Fund;</li> <li>• Costs, fees and expenses for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;</li> <li>• Costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or Trustee;</li> <li>• Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee;</li> <li>• Costs and expenses incurred in relation to the distribution of income (if any);</li> <li>• Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund;</li> <li>• Other fees and expenses related to the Fund allowed under the Deed.</li> </ul> <p>Expenses related to the issuance of this Information Memorandum will be borne by the Manager.</p>	<p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>➤ Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;</li> <li>➤ (Where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</li> <li>➤ Taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>➤ Costs, fees and expenses properly incurred by the auditor appointed for the Fund;</li> <li>➤ Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;</li> <li>➤ Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;</li> <li>➤ Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;</li> <li>➤ Costs and expenses incurred in relation to the distribution of income (if any);</li> <li>➤ Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund;</li> <li>➤ Costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund or commenced by either of them for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund); and</li> <li>➤ Other fees and expenses related to the Fund allowed under the Deed.</li> </ul>

**8) Investor Eligibility**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<p>You must be a Sophisticated Investor in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the details.</p>	<ul style="list-style-type: none"> <li>➤ You must be at least eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the definition of “Sophisticated Investor”.</li> <li>➤ Please note that if you are a US Person, you are not eligible to subscribe to the Units. If we become aware that you are a US Person who holds Units, we will issue a notice requiring you to:- <ul style="list-style-type: none"> <li>• redeem your Units; or</li> <li>• transfer your Units to a non-US Person, within thirty (30) days from the date of the said notice.</li> </ul> </li> </ul>

**9) Minimum Transaction Amount**

Information Memorandum dated 15 August 2016.		Replacement Information Memorandum dated 10 November 2023	
<b>Minimum Initial Investment</b>	USD 50,000	<b>Minimum Initial Investment*</b>	USD 50,000
<b>Minimum Additional Investment</b>	USD 1,000	<b>Minimum Additional Investment*</b>	USD 1,000
<b>Minimum Holding of Units</b>	50,000 Units	<b>Minimum Repurchase Amount*</b>	50,000 Units
		<b>Minimum Holding of Units*</b>	50,000 Units

At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount and minimum holdings of Units.

\*At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to terms and conditions disclosed in the respective channels

**10) Repurchase Proceeds Payout**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
You will be paid within 30 calendar days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.	You will be paid within ten (10) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

**11) Cooling-Off Period**

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<none>	<p><b>WHAT IS COOLING-OFF RIGHT?</b></p> <ul style="list-style-type: none"> <li>➤ You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.</li> <li>➤ You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge imposed on the day those Units were purchased. <ul style="list-style-type: none"> <li>(i) If the price of a Unit on the day the Units were first purchased (“original price”) is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), you will be refunded based on the market price at the point of cooling-off; or</li> <li>(ii) If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.</li> </ul> </li> <li>➤ You will be refunded within ten (10) Business Days from our receipt of the cooling-off application.</li> </ul> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trust funds, you are not entitled to this right.</p> <p><b>WHAT IS THE PROCESS OF COOLING-OFF APPLICATION?</b></p> <p>We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received or deemed to have been received by us after 3.30 p.m. will be transacted on the next Business Day (or “T+1 day”).</p> <p>Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.</p>

## 12) Suspension of Dealing in Units

Information Memorandum dated 15 August 2016.	Replacement Information Memorandum dated 10 November 2023
<None>	<p>The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.</p> <p>The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.</p> <p>The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action</p>

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDER OF AHAM TOTAL RETURN FUND ("Fund")**

We have acted as the Trustee of the Fund for the financial period from 1 June 2023 to 31 May 2024 (date of termination) and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

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

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

Kuala Lumpur, Malaysia  
24 July 2024

**AHAM TOTAL RETURN FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024  
(DATE OF TERMINATION)**



# **AHAM TOTAL RETURN FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024  
(DATE OF TERMINATION)**

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## AHAM TOTAL RETURN FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION)

		Financial period from 1.6.2023 to 31.5.2024 (date of termination) USD	Financial year ended 31.5.2023 USD
<b>INVESTMENT INCOME/(LOSS)</b>			
Net gain on foreign currency exchange		61	-
Net gain/(loss) on derivative at fair value through profit or loss	8	316,348	(852,098)
		<u>316,409</u>	<u>(852,098)</u>
<b>EXPENSES</b>			
Management fee	4	(42,250)	(97,156)
Trustee fee	5	(1,699)	(3,895)
Fund accounting fee	6	(2,384)	(2,506)
Auditors' remuneration		(2,169)	(2,398)
Tax agent's fee		(759)	(799)
Other expenses		(885)	(1,330)
		<u>(50,146)</u>	<u>(108,084)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		266,263	(960,182)
Taxation	7	-	-
<b>NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>266,263</u>	<u>(960,182)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		266,263	(96,748)
Unrealised amount		-	(863,434)
		<u>266,263</u>	<u>(960,182)</u>

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

## AHAM TOTAL RETURN FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024 (DATE OF TERMINATION)

	<u>Note</u>	As at 31.5.2024 (date of termination) USD	As at 31.5.2023 USD
<b>ASSETS</b>			
Cash and cash equivalents		42,633	80,937
Derivative at fair value through profit or loss	8	-	5,680,456
<b>TOTAL ASSETS</b>		<u>42,633</u>	<u>5,761,393</u>
<b>LIABILITIES</b>			
Amount due to Manager - management fee		33	4,895
Amount due to Trustee		1	196
Fund accounting fee		-	216
Auditors' remuneration		2,169	2,283
Tax agent's fee		819	799
Other payable and accruals		1,070	1,116
<b>TOTAL LIABILITIES</b>		<u>4,092</u>	<u>9,505</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>38,541</u>	<u>5,751,888</u>
<b>EQUITY</b>			
Unit holder's capital		2,608,838	8,588,448
Accumulated losses		(2,570,297)	(2,836,560)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDER</b>		<u>38,541</u>	<u>5,751,888</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<u>47,000</u>	<u>7,363,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		<u>0.8200</u>	<u>0.7812</u>

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

## AHAM TOTAL RETURN FUND

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION)

	Unit holder's <u>capital</u> USD	Accumulated <u>losses</u> USD	<u>Total</u> USD
Balance as at 1 June 2023	8,588,448	(2,836,560)	5,751,888
Total comprehensive income for the financial period	-	266,263	266,263
Movement in unit holder's capital:			
Cancellation of units	(5,979,610)	-	(5,979,610)
Balance as at 31 May 2024 (date of termination)	<u>2,608,838</u>	<u>(2,570,297)</u>	<u>38,541</u>
Balance as at 1 June 2022	12,844,479	(1,876,378)	10,968,101
Total comprehensive loss for the financial year	-	(960,182)	(960,182)
Movement in unit holders' capital:			
Creation of units arising from applications	2,000,308	-	2,000,308
Cancellation of units	(6,256,339)	-	(6,256,339)
Balance as at 31 May 2023	<u>8,588,448</u>	<u>(2,836,560)</u>	<u>5,751,888</u>

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

## AHAM TOTAL RETURN FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION)

	Financial period from 1.6.2023 to 31.5.2024 (date of <u>termination</u> ) USD	Financial year ended <u>31.5.2023</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of investments	6,023,247	6,200,000
Purchase of investments	-	(2,000,000)
Management fee paid	(47,112)	(101,555)
Trustee fee paid	(1,894)	(4,071)
Fund accounting fee paid	(2,600)	(2,290)
Payment for other fees and expenses	(3,953)	(4,674)
Realised gain on total return swap	-	100,250
Interest expense paid on total return swap	(26,443)	(88,914)
Net realised gain on foreign currency exchange	61	-
	<hr/>	<hr/>
Net cash flows generated from operating activities	5,941,306	4,098,746
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	-	2,000,308
Payments for cancellation of units	(5,979,610)	(6,256,339)
	<hr/>	<hr/>
Net cash flows used in financing activities	(5,979,610)	(4,256,031)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	(38,304)	(157,285)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		
	80,937	238,222
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		
	42,633	80,937
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 31 May 2024 (date of termination) and 31 May 2023 comprise of bank balances.

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

## **AHAM TOTAL RETURN FUND**

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION)**

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

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

The Fund commenced operations on 9 January 2020. As the Fund was left with units held by the Manager since 19 April 2024, the Manager terminated the Fund on 31 May 2024 in accordance with the Deeds. As such, the going concern assumption can no longer be used for the preparation of financial statements. The financial statements have therefore been prepared using a non-going concern basis of accounting. The net proceeds have been distributed pro rata to the Manager on 11 June 2024 according to the number of units held in the Fund as at 31 May 2024. The Manager and the Trustee of the Fund hereby authorised the termination of the trust in respect of the Fund on 31 May 2024.

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

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

## **AHAM TOTAL RETURN FUND**

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)**

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

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

- 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 as the Fund has been terminated on 31 May 2024.

#### **B INCOME RECOGNITION**

##### Interest income

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).

#### **C TAXATION**

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

#### **D FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Fund's functional and presentation currency.

## AHAM TOTAL RETURN FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### E 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 statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely payments of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

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

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

##### (ii) Recognition and measurement

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



## AHAM TOTAL RETURN FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

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

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

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

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

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

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

##### Definition of default and credit-impaired financial assets

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

##### Quantitative criteria:

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

## AHAM TOTAL RETURN FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

(iii) Impairment (continued)

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

Qualitative criteria:

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

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

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

##### Write-off

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

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

#### G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### H UNIT HOLDER'S CAPITAL

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

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

## **AHAM TOTAL RETURN FUND**

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)**

#### **H UNIT HOLDER'S CAPITAL (CONTINUED)**

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

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

#### **I DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Fund's derivative financial instruments comprise total return swap. Financial derivatives position will be "marked-to-market" at the close of each valuation day. Foreign exchange gain and losses and net interest income and expense on the total return swap are recognised in profit or loss when settled or at the date of the statement of financial position at which they are included in the measurement of the derivative financial instrument.

The valuation methodology used by the Fund in determining the fair value of the total return swap is outlined in Note 3 to the financial statements.

#### **J CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

## AHAM TOTAL RETURN FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

##### Functional currency

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

- i) The Fund's sole investment was in a total return swap denominated in USD, which was fully unwound as at 31 May 2024 (date of termination).
- ii) The Fund's cash is denominated in USD for the purpose of making settlement of foreign trades and expenses.
- iii) Significant portion of the Fund's expenses are denominated in USD.

##### Fair value of total return swap

As at 31 May 2023, the Fund invested in a total return swap which was not quoted in active markets. The fair value of such instrument is determined by using valuation techniques set out in Note 3 of the financial statements.

Models use observable data, to the extent practicable. However, unobservable inputs such as the cost of leverage require management to make estimates. Changes in assumptions about this factor could affect the reported fair value of the total return swap. The sensitivity to unobservable inputs is based on management's expectation of a reasonable possible shift in these inputs, taking into consideration historical data and estimations of future market movements.

For the total return swap, an increase in the cost of leverage would lead to a decrease in fair value, and vice versa.

The total return swap has been fully unwound as at 31 May 2024 (date of termination).

#### K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION)

#### 1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Total Return Fund (the “Fund”) pursuant to the execution of a Deed dated 8 November 2019 and modified by First Supplemental Deed dated 20 October 2023 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Total Return Fund to AHAM Total Return Fund as amended by First Supplemental Deed dated 20 October 2023.

The Fund commenced operations on 9 January 2020. As the Fund was left with units held by the Manager since 19 April 2024, the Manager terminated the Fund on 31 May 2024 in accordance with the Deeds. As such, the going concern assumption can no longer be used for the preparation of financial statements. The financial statements have therefore been prepared using a non-going concern basis of accounting. The net proceeds have been distributed pro rata to the Manager on 11 June 2024 according to the number of units held in the Fund as at 31 May 2024. The Manager and the Trustee of the Fund hereby authorised the termination of the trust in respect of the Fund on 31 May 2024.

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

- (a) Derivatives;
- (b) Deposits;
- (c) Money market instruments;
- (d) Embedded derivatives; and
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund’s objective.

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

The main objective of the Fund is to provide total return over the medium to long-term investment horizon.

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

The financial statements were authorised for issue by the Manager on 24 July 2024.

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>As at 31.5.2024 (date of termination)</u>				
<u>Financial assets</u>				
Cash and cash equivalents		42,633	-	42,633
Total		<u>42,633</u>	<u>-</u>	<u>42,633</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		33	-	33
Amount due to Trustee		1	-	1
Auditors' remuneration		2,169	-	2,169
Tax agent's fee		819	-	819
Other payables and accruals		1,070	-	1,070
Total		<u>4,092</u>	<u>-</u>	<u>4,092</u>
<u>As at 31.5.2023</u>				
<u>Financial assets</u>				
Unquoted derivatives				
- total return swap	8	-	5,680,456	5,680,456
Cash and cash equivalents		80,937	-	80,937
Total		<u>80,937</u>	<u>5,680,456</u>	<u>5,761,393</u>

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>As at 31.5.2023</u> (continued)				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		4,895	-	4,895
Amount due to Trustee		196	-	196
Fund accounting fee		216	-	216
Auditors' remuneration		2,283	-	2,283
Tax agent's fee		799	-	799
Other payables and accruals		1,116	-	1,116
		<hr/>	<hr/>	<hr/>
Total		9,505	-	9,505
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

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

#### Market risk

##### (a) Currency risk

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

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

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

##### Market risk (continued)

##### (a) Currency risk (continued)

	<u>Other payables*</u> USD	<u>Total</u> USD
<u>As at 31.5.2024 (date of termination)</u>		
<u>Financial liabilities</u>		
Malaysian Ringgit	4,058	4,058
	<u>                    </u>	<u>                    </u>
<u>As at 31.5.2023</u>		
<u>Financial liabilities</u>		
Malaysian Ringgit	4,414	4,414
	<u>                    </u>	<u>                    </u>

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

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

	Change in <u>rate</u> %	Impact on profit/(loss) after <u>tax/NAV</u> USD
<u>As at 31.5.2024 (date of termination)</u>		
Malaysian Ringgit	+/- 5.42	-/+ 220
	<u>                    </u>	<u>                    </u>
<u>As at 31.5.2023</u>		
Malaysian Ringgit	+/- 5.75	-/+ 254
	<u>                    </u>	<u>                    </u>



## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unit holders, liquid assets comprise cash, 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 USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>As at 31.5.2024 (date of termination)</u>			
Amount due to Manager			
- management fees	33	-	33
Amount due to Trustee	1	-	1
Auditors' remuneration	-	2,169	2,169
Tax agent fee	-	819	819
Other payables and accruals	-	1,070	1,070
	<u>34</u>	<u>4,058</u>	<u>4,092</u>
<u>As at 31.5.2023</u>			
Amount due to Manager			
- management fees	4,895	-	4,895
Amount due to Trustee	196	-	196
Fund accounting fee	216	-	216
Auditors' remuneration	-	2,283	2,283
Tax agent fee	-	799	799
Other payables and accruals	-	1,116	1,116
	<u>5,307</u>	<u>4,198</u>	<u>9,505</u>

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

##### Credit risk

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

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

	Unquoted derivatives - total return <u>swap</u> USD	Cash and cash <u>equivalents</u> USD	<u>Total</u> USD
<u>As at 31.5.2024 (date of termination)</u>			
Financial services - AAA	-	42,633	42,633
<u>As at 31.5.2023</u>			
Financial services - AAA	5,680,456	80,937	5,761,393

##### Capital risk

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

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the bid price for financial assets which fall 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 judgement, considering factors specific to the asset or liability.

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

The Fund's total return swap has been fully unwound as at 31 May 2024 (date of termination).

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (continued)

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>As at 31.5.2024 (date of termination)</u>				
Financial assets at fair value through profit or loss				
- total return swap	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>As at 31.5.2023</u>				
Financial assets at fair value through profit or loss				
- total return swap	-	-	5,680,456	5,680,456
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

##### Level 3 instruments

As at 31 May 2023, the Fund invested in a total return swap issued by the Structurer and was valued on a daily basis. The swap has been fully unwound as at 31 May 2024 (date of termination). These investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

The total return swap provides an enhanced exposure to the Reference Fund. 100% of the initial investment of the Fund into the total return swap would provide the Fund with enhanced notional to the Reference Fund up to 200% of the Fund's notional size as compared to a direct investment into the Reference Fund. The returns from the total return swap would refer to the performance of its underlying over a set period.

Costs associated with the purchase of the total return swap includes cost of leverage. Cost of leverage are charges imposed by the Structurer of the derivatives in order to provide enhanced exposure as compared to a direct investment. Cost of leverage are already factored in the purchase of such assets and may vary over time depending on market conditions.

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Level 3 instruments (continued)

In determining the valuation, the Structurer utilised risk management models based on probability testing. The model utilises market observable input factors such as interest rate levels, NAV of the reference fund and leverage ratio; and combine them with the Structurer's own unobservable quantitative inputs such as cost of leverage. These market observable quantitative inputs and in-house assumptions are then typically put through a valuation process whereby the Structurer is able to arrive at a reasonable level which is used as the mark to market valuation for the swap.

The description of unobservable inputs in the swap valuation are as follows:

- The cost of leverage has changed from a fixed rate of 5.95% to a fixed rate of 6.10% effective from 13 October 2023 and from a fixed rate of 6.10% to a fixed rate of 5.83% effective from 16 January 2024 (2023: from a fixed rate of 1.80% to a fixed rate of 5.95% effective from 13 April 2023). The spread is a function of the swap Structurer's cost of borrowing associated with having to purchase the underlying fund for hedging purposes. The cost of leverage is subject to change according to general market conditions and the swap Structurer's borrowing capacity.

The sensitivity of fair value valuation for the swap to unobservable inputs are not static and can vary substantially depending on the Structurer's assumptions.

If the cost of leverage used in the valuation decreases or increases by 1% (2023: 1%), the impact on profit or loss would be an increase of USD Nil (2023: USD Nil) and a decrease of USD Nil (2023: USD Nil) in fair value respectively.

The following table presents the movements in Level 3 instruments for the financial period from 1 June 2023 to 31 May 2024 (date of termination):

	<u>USD</u>
As at 1 June 2023	5,680,456
Purchase of investment	-
Unwinding of investment	(6,023,247)
Realised gain on swap transactions	342,791
	<hr/>
As at 31 May 2024 (date of termination)	-
	<hr/> <hr/>

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Level 3 instruments (continued)

The following table presents the movements in Level 3 instruments for the financial year ended 31 May 2023:

	<u>USD</u>
As at 1 June 2022	10,743,890
Purchase of investment	2,000,000
Sale/reduction	(6,200,000)
Net change in fair value on financial assets at fair value through profit or loss	<u>(863,434)</u>
As at 31 May 2023	<u>5,680,456</u>

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

#### 4 MANAGEMENT FEE

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

For the financial period from 1 June 2023 to 31 May 2024 (date of termination), management fee is recognised at a rate of 1.00% (2023: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

#### 5 TRUSTEE FEE

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

For the financial period from 1 June 2023 to 31 May 2024 (date of termination), the Trustee's fee is recognised at a rate of 0.04% (2023: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is USD2,384 (equivalent of RM11,000) (2023: USD2,506 (equivalent of RM13,000)) during the financial year/period.

#### 7 TAXATION

	Financial period from 1.6.2023 to 31.5.2024 (date of termination) USD	Financial year ended 31.5.2023 USD
Current taxation	-	-

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

	Financial period from 1.6.2023 to 31.5.2024 (date of termination) USD	Financial year ended 31.5.2023 USD
Net profit/(loss) before taxation	266,263	(960,182)
Tax at Malaysian statutory rate of 24% (2023: 24%)	63,903	(230,444)
Tax effects of:		
(Investment income not subject to tax)/ investment loss not brought to tax	(75,938)	204,504
Expenses not deductible for tax purposes	1,369	2,024
Restriction on tax deduction expenses for Wholesale Fund	10,666	23,916
Tax expense	-	-

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 8 DERIVATIVE AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31.5.2024 (date of <u>termination</u> ) USD	As at <u>31.5.2023</u> USD
Derivative at fair value through profit or loss:		
- total return swap	-	5,680,456
	<u>                    </u>	<u>                    </u>
	Financial period from 1.6.2023 to 31.5.2024 (date of <u>termination</u> ) USD	Financial year ended <u>31.5.2023</u> USD
Net gain/(loss) on financial asset at fair value through profit or loss:		
- realised gain on sale of investment	316,348	11,336
- unrealised loss on changes in fair value	-	(863,434)
	<u>                    </u>	<u>                    </u>
	<u>316,348</u>	<u>(852,098)</u>

(a) Unquoted derivative – total return swap

(i) There is no investment in unquoted derivative – total return swap as at 31 May 2024 (date of termination).

(ii) Unquoted derivative – total return swap as at 31 May 2023 is as follows:

	<u>Quantity</u>	Adjusted <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
<u>Total return swap</u>				
Total return swap – AHAM Hard Currencies Fixed Income Fund * (CIMB Bank Berhad)	6,405,566	8,270,000	5,680,456	98.76
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total unquoted derivative – total return swap	<u>6,405,566</u>	<u>8,270,000</u>	<u>5,680,456</u>	<u>98.76</u>



## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

(a) Unquoted derivative – total return swap (continued)

(ii) Unquoted derivative – total return swap as at 31 May 2023 is as follows: (continued)

	<u>Quantity</u>	Adjusted cost USD	Fair value USD	Percentage of NAV %
Accumulated unrealised loss on unquoted derivative – total return swap		(2,589,544)		
Total unquoted derivative – total return swap		<u>5,680,456</u>		

\* The Reference Fund is managed by the Manager.

The details of the contract terms are as follows:

	As at 31.5.2024 (date of <u>termination</u> ) USD	As at <u>31.5.2023</u> USD
Leverage Factor	-	1.00
Balance Initial Exchange Amount	-	5,680,456
Equity Notional Amount	-	5,680,456

#### 9 NUMBER OF UNITS IN CIRCULATION

	As at 31.5.2024 (date of <u>termination</u> ) No. of units	As at <u>31.5.2023</u> No. of units
At the beginning of the financial period	7,363,000	12,682,000
Creation of units arising from applications	-	2,372,000
Cancellation of units	(7,316,000)	(7,691,000)
At the end of the financial period	<u>47,000</u>	<u>7,363,000</u>

The Fund has been terminated on 31 May 2024 and all the units in circulation were subsequently cancelled on 4 June 2024 by the Manager.

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 10 TRANSACTIONS WITH DEALER

- (i) Details of transaction with the dealer for the financial period from 1 June 2023 to 31 May 2024 (date of termination) are as follows:

<u>Name of dealer</u>	<u>Value of trade USD</u>	<u>Percentage of total trade %</u>
CIMB Bank Berhad	6,023,247	100.00

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

<u>Name of dealer</u>	<u>Value of trade USD</u>	<u>Percentage of total trade %</u>
CIMB Bank Berhad	8,200,000	100.00

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

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationship</u>
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Nikko Asset Management Co., Ltd ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in their financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad	Directors of the Manager

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

	<u>31.5.2024 (date of termination)</u>	As at	<u>31.5.2023</u>	As at
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purpose)	47,000	38,541	45,834	35,806

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

## AHAM TOTAL RETURN FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 31 MAY 2024 (DATE OF TERMINATION) (CONTINUED)

#### 12 TOTAL EXPENSE RATIO (“TER”)

	Financial period from 1.6.2023 to 31.5.2024 (date of termination) %	Financial year ended 31.5.2023 %
TER	1.19	1.11

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 USD4,239,068 (2023: USD9,745,065).

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

	Financial period from 1.6.2023 to 31.5.2024 (date of termination)	Financial year ended 31.5.2023
PTR (times)	0.71	0.42

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD Nil (2023: USD2,000,000)  
total disposal for the financial year = USD6,023,247 (2023: USD6,200,000)

## **AHAM TOTAL RETURN FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, the financial statements set out on pages 1 to 27 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2024 (date of termination) and of its financial performance, changes in equity and cash flows for the financial period from 1 June 2023 to 31 May 2024 (date of termination) in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

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

Kuala Lumpur  
24 July 2024

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDER OF AHAM TOTAL RETURN FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of AHAM Total Return Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 May 2024 (date of termination) and of its financial performance and its cash flows for the financial period from 1 June 2023 to 31 May 2024 (date of termination) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 27.

#### Basis for opinion

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

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

#### *Independence and other ethical responsibilities*

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

#### Emphasis of matter

We draw attention to Note A of basis of preparation of the financial statements, which states that the Fund has been terminated on 31 May 2024. These financial statements have therefore been prepared using a non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

.....  
*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH  
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**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDER OF AHAM TOTAL RETURN FUND (CONTINUED)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDER OF AHAM TOTAL RETURN FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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



**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDER OF AHAM TOTAL RETURN FUND (CONTINUED)**

**OTHER MATTERS**

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

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

**Kuala Lumpur  
24 July 2024**

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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Tel : 07 – 227 8999  
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## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SABAH**

AHAM Asset Management Berhad  
Unit 1.09(a), Level 1 Plaza Shell,  
29, Jalan Tunku Abdul Rahman,  
88000 Kota Kinabalu, Sabah

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Fax : 088 – 288 803

### **SARAWAK - KUCHING**

AHAM Asset Management Berhad  
Ground Floor, No. 69  
Block 10, Jalan Laksamana Cheng Ho  
93200 Kuching,  
Sarawak

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Fax : 082 – 233 663

### **SARAWAK - MIRI**

AHAM Asset Management Berhad  
1st Floor, Lot 1291  
Jalan Melayu, MCLD,  
98000 Miri,  
Sarawak

Tel : 085 – 418 403  
Fax : 085 – 418 372

**AHAM Asset Management Berhad**

Registration No: 199701014290 (429786-T)

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