

ANNUAL REPORT

16 June 2025

AHAM Flexible Maturity Income Fund 18

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

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

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AHAM FLEXIBLE MATURITY INCOME FUND 18

Annual Report and Audited Financial Statements
For the Financial Period from 1 March 2024 to 16 June 2025 (Date of Maturity)

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FUND INFORMATION

Fund Name	AHAM Flexible Maturity Income Fund 18
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide income through investments in fixed income instruments
Duration of the Fund	Five (5) years close-ended Fund
Termination Date	16 June 2025
Benchmark	5-years Malayan Banking Berhad fixed deposit rate as at Investment Date
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis.

FUND PERFORMANCE DATA

Category	As at 16 Jun 2025 (%)	As at 29 Feb 2024 (%)	As at 28 Feb 2023 (%)
Portfolio composition			
Unquoted fixed income securities – local	-	15.69	9.16
Unquoted fixed income securities – foreign	-	82.00	88.19
Total unquoted fixed income securities	-	97.69	97.35
Cash & cash equivalents	100.00	2.31	2.65
Total	100.00	100.00	100.00
Total NAV (RM'million)	168.565	185.463	217.063
NAV per Unit (RM)	0.7700	0.7928	0.8838
Unit in Circulation (million)	218.907	233.937	245.598
Highest NAV	0.8674	0.9031	0.9707
Lowest NAV	0.7700	0.7657	0.7715
Return of the Fund (%)	5.25	-8.08	-4.79
- Capital Growth (%)	-2.87	-10.30	-7.46
- Income Distribution (%)	8.36	2.48	2.89
Gross Distribution per Unit (sen)	6.69	1.90	2.58
Net Distribution per Unit (sen)	6.32	1.90	2.58
Total Expense Ratio (%) ¹	0.37	0.28	0.28
Portfolio Turnover Ratio (times) ²	1.59	0.88	0.23

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

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

An illustration of the above would be as follow:-

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

¹The TER of the Fund was higher than previous financial year due to higher incurred expenses of the Fund during the financial period from 1 March 2024 to 16 June 2025 (date of maturity).

²The Fund recorded a higher PTR than previous financial year due to the higher trading activities during the financial period from 1 March 2024 to 16 June 2025 (date of maturity).

Income Distribution / Unit Split

The NAV per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Jun-25	16-Jun-25	0.8008	0.0307	0.7700
17-Jun-24	18-Jun-24	0.8049	0.0325	0.7721
15-Jun-23	16-Jun-23	0.7855	0.0190	0.7675
15-Jun-22	16-Jun-22	0.9165	0.0258	0.8912

No unit split were declared for the financial period ended 16 June 2025 (date of maturity).

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	16-Jun-25	3.0700	100.00	-	-
MYR	18-Jun-24	3.2500	100.00	-	-
MYR	16-Jun-23	1.9000	100.00	-	-
MYR	16-Jun-22	2.5750	100.00	-	-

Fund Performance

Average Total Return for the Financial Period ended 16 June 2025

1 Year	3 Years	5 Years
3.69%	(1.37%)	(1.75%)

Annual Total Return for the Financial Year ended 29 February

16-Jun-2025	2024	2023	2022	2021
5.25%	(8.73%)	(4.11%)	(7.55%)	7.45%

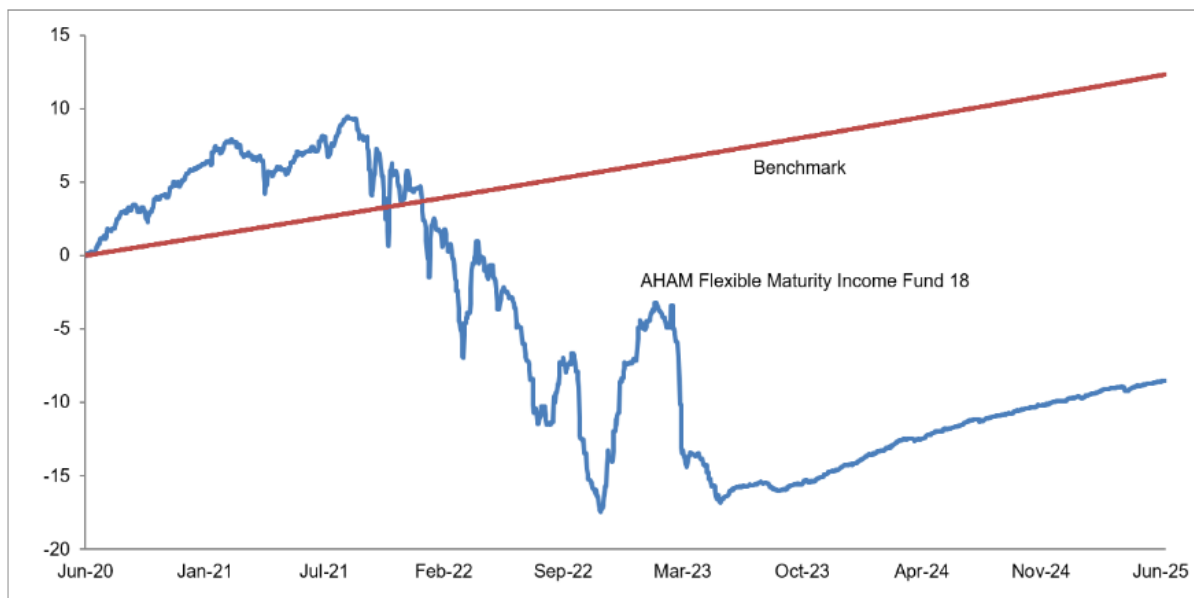
Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

MANAGER'S REPORT

Performance Review (1 March 2024 to 16 June 2025)

For the financial period from 1 March 2024 to 16 June 2025 (date of maturity), the Fund has registered a return of -8.50% since commencement compared to the benchmark return of 12.33%, underperforming by 20.83%. For the financial period under review, the Fund registered a 5.25% return compared to the benchmark return of 3.06%. The Fund thus outperformed the benchmark by 2.19%. The NAV per unit of the Fund as at 16 June 2025 was MYR0.7700 while the NAV as at 29 February 2024 was MYR0.7928. During the financial period, the Fund has declared a total income distribution of MYR0.0632 per unit.

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 Maybank."
Benchmark: 5-years Malayan Banking Berhad fixed deposit rate as at Investment Date

Asset Allocation

As at 16 June 2025 (date of maturity), the Fund has liquidated the asset and holding 100% in cash due to Fund's Maturity.

Strategies Employed

The Flexible Maturity Income Fund series have historically employed a more passive buy and hold-to-maturity strategy. The Manager would invest in a portfolio of bonds with maturities that closely match the respective funds and monitor the credit fundamentals of these issuers throughout the life of the funds. However, given the challenging circumstances and unprecedented rate hikes in the past few years, the Manager has taken a more active style of investing, including progressively rebalancing the portfolios to manage risks while focusing on positioning in new and existing issuances to improve the return and yield potential.

The Manager has implemented several key measures to enhance the risk profile and resilience of the Funds in response to prevailing market conditions. One of the pivotal decisions was the complete exit from China property bonds. This was premised on the liquidity and credit challenges faced by China property developers, leading to cases of defaults and near insolvency situations. Persistently weak property sales, coupled with government policies that have not fully addressed underlying issues, led the Manager to believe that these challenges were unlikely to be swiftly resolved. Furthermore, the decision by many issuers to prioritize onshore bonds over offshore bonds signaled prolonged and uncertain timelines for the restructuring of defaulted bonds, with anticipated low recovery values, if any.

Over the life of the Fund and as severe unexpected market events occurred, the portfolio positioning overall has gravitated to a greater weight in Investment Grade (“IG”) bonds. By having greater exposure to IG assets over High Yield (“HY”) instruments, it aligned the portfolio with a more conservative risk profile. The Fund’s duration closely matched the Fund’s maturities while foreign currency exposures were fully hedged to Malaysian Ringgit since the inception of the Fund.

Market Review

The past few years, particularly in 2022-2023 have indeed presented unprecedented challenges for the global fixed income market. 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 (“the Fed”), for instance, raised interest rates by over 500 basis points. 5-year U.S. treasury yields have increased from 0.33% in June 2020 to a peak of 4.97% as of October 2023. Moreover, central banks started Quantitative Tightening, reining in their balance sheets. These measures have triggered market adjustments, and adversely affected bond prices.

The Federal Open Market Committee (“FOMC”) has maintained a pause on interest rate changes throughout 2025 so far, keeping the federal funds rate steady in a target range of 4.25% to 4.50%. This “wait and see” approach started early in the year reflects the Fed’s cautious approach amid rising economic uncertainty, persistent inflation pressures, and evolving risks from trade policies. Yields were volatile, with periods of both steepening and flattening curves. Credit spreads tightened in late 2024 while in 2025 has seen notable swings, a result of major shifts in Tariff stance triggered by President Donald Trump.

In the Asian credit landscape, the default crisis among China’s property developers proved especially impactful. A large segment of 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 HY sector but also among IG names in the same industry. To offer colour on the degree of market decline, since June 2021 until October 2023, United States Dollar (“USD”) Asian High Yield bonds recorded a return of -42%*.

** Source: iShares Barclays Capital USD Asia HY Bond Index*

Additionally, other challenges surfaced, such as the write-off of Credit Suisse Additional Tier 1 (AT1) securities triggered by Swiss Financial Market Supervisory Authority (“FINMA”), the Swiss regulator, in March 2023. The Fund had exposures to Credit Suisse AT1. Lastly, the Government implemented the foreign sourced income tax in 2022. As a transition measure, the foreign sourced income received in Malaysia from 1 January 2022 until 30 June 2022 was taxed at a 3% rate on a gross basis. The foreign sourced income received in Malaysia from 1 July 2022 was subject to tax based on the prevailing income tax rate at 24%. The imposition of foreign sourced income tax has also impacted the Fund’s performance as coupon and interest received from offshore bonds were subjected to tax.

These events highlight the extreme volatility and complexity of the global financial landscape during this period. Despite these challenges, we continued to adapt our strategies to navigate the environment to secure the best possible outcomes for our investors.

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 lower local bond market yields in both the government bonds and private debt securities space.

Investment Outlook

Elevated yields, slowing growth expectation, and persistent inflation risks defined the landscape, while trade policies and geopolitical uncertainty remain key watchpoints for the year ahead. Despite volatile market, for the remainder of the year, we continue to expect global interest rates to be on a declining trend albeit on a gradual and data dependent basis as central banks are concerned with inflation expectations. Furthermore, with yields on government bonds remaining relatively attractive compared to historical standards, they are likely to attract risk-averse investors seeking stability amidst market volatility. However, the pace of economic recovery and inflation dynamics will be critical factors influencing bond performance, as unexpected inflation could erode real returns.

The Fund has matured in June 2025, and leading up to that, the Manager positioned the Fund to be in a fully liquid position to ensure the cash proceeds from prior investments in the fixed income instruments would be returned to investors accordingly.

State of Affairs of the Fund

Following the unprecedented and controversial decision by the FINMA on 19 March 2023 to write down Swiss Franc ("CHF") 16 billion of Credit Suisse's AT1 securities, UBS Group AG ("UBS") announced on 12 June 2023 that it had formally completed the acquisition of Credit Suisse. The now-enlarged UBS will have a balance sheet of USD1.6 trillion. According to news during the reporting period, UBS was also looking to reduce the total combined workforce by around 30% or 25,000 employees. Credit Suisse's total headcount was reported at around 45,000.

As of 7 June 2023, Quinn Emanuel Urquhart & Sullivan LLP ("Quinn Emanuel") informed global AT1 bondholders, including the Manager, that the Swiss Federal Administrative Court ("SFAC") had acknowledged receipt of the filing made by the firm on 18 April 2023. A judge was assigned to oversee the proceedings. The Court ordered the disclosure of FINMA's decree mandating the AT1 bond write-down, requested further submissions from appellants on the decree's significance, and ordered FINMA to produce the full file regarding its decision, which includes all relevant materials used in the write-down process.

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

Further to this, on 31 August 2023, UBS posted its quarterly earnings results following its acquisition of Credit Suisse. It reported a quarterly profit before tax of USD29.2 billion, which included USD28.9 billion of negative goodwill from the acquisition. Excluding the negative goodwill, integration-related expenses, and acquisition costs, UBS's adjusted profit before tax was USD1.1 billion. UBS also provided updates on the integration of Credit Suisse and its financial targets by year-end 2026, aiming for USD10 billion in cost savings through restructuring non-core and Credit Suisse Investment Banking segments, as well as business synergies across core businesses. UBS reported a Common Equity Tier 1 ("CET1") capital ratio of 14.4% and set a target of ~14% over the medium term.

Since the announcement in March 2023, several investor groups globally have initiated legal proceedings seeking compensation for the AT1 write-down. Quinn Emanuel and United Kingdom ("UK")-based Pallas launched separate Swiss lawsuits against FINMA over the decision. Quinn Emanuel represents plaintiffs with USD6 billion of AT1 claims, while Pallas's clients hold about USD2 billion of Credit Suisse AT1 securities. The Manager has appointed Quinn Emanuel to represent its investors for affected funds and portfolios, including unit holders of the Fund.

As of 11 July 2025, Quinn Emanuel is still awaiting the Swiss Federal Administrative Court ("SFAC")'s delivery of UBS's and FINMA's reply submissions. A supervisory complaint was filed with the Swiss Federal Supreme Court ("Supreme Court") concerning the delay or denial of justice by the SFAC. Among the questions posed in the supervisory complaint was why there has been no meaningful progress in the legal proceedings on the part of the SFAC since Spring 2024. The Supreme Court has ordered the SFAC to respond to the supervisory complaint by 27 July 2025. The legal proceedings are ongoing and the Manager will continue to maintain close communication with Quinn Emanuel regarding the progress of the lawsuit.

The ongoing legal fees for services rendered by Quinn Emanuel to recover the losses incurred from the write-down of the Credit Suisse AT1 bond is currently advanced by the Manager, which will be repayable to the Manager upon the successful recovery of the Credit Suisse AT1 bonds from the legal proceedings. The remaining recovery proceeds will be disbursed in proportion of the value each unit holder was entitled to as at the occurrence of the write-down of the bond.

Soft Commissions received from Dealers

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

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

making process.

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made To the Fund's Information Memorandum

No changes were made to the Fund's Information Memorandum over the financial period under review.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 18 ("Fund")

We have acted as Trustee of the Fund for the financial period from 1 March 2024 to 16 June 2025 (date of maturity) 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 period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on 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.

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

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
25 July 2025

AHAM FLEXIBLE MATURITY INCOME FUND 18

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO
16 JUNE 2025 (DATE OF MATURITY)**

AHAM FLEXIBLE MATURITY INCOME FUND 18

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO
16 JUNE 2025 (DATE OF MATURITY)**

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AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY)

	<u>Note</u>	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
INVESTMENT INCOME/(LOSS)			
Interest income from financial assets at amortised cost		1,654,723	130,847
Interest income from financial assets at fair value through profit or loss		8,903,547	8,900,341
Net gain on foreign currency exchange		451,154	759,037
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	12	6,597,063	(10,909,504)
Net loss on financial assets at fair value through profit or loss	9	(7,990,444)	(15,356,173)
		<u>9,616,043</u>	<u>(16,475,452)</u>
EXPENSES			
Management fee	4	(458,838)	(377,243)
Trustee fee	5	(91,767)	(75,449)
Fund accounting fee	6	(17,911)	(13,000)
Auditors' remuneration		(8,000)	(8,000)
Tax agent's fee		(3,500)	(3,500)
Other expenses		(79,541)	(56,936)
		<u>(659,557)</u>	<u>(534,128)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		8,956,486	(17,009,580)
Taxation	7	129,650	(849,845)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		<u>9,086,136</u>	<u>(17,859,425)</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
Net profit/(loss) after taxation is made up of the following:		
Realised amount	9,086,136	(31,661,693)
Unrealised amount	-	13,802,268
	<u>9,086,136</u>	<u>(17,859,425)</u>

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT OF FINANCIAL POSITION AS AT 16 JUNE 2025 (DATE OF MATURITY)

	<u>Note</u>	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
ASSETS			
Cash and cash equivalents	10	174,874,026	9,957,107
Amount due from dealers		-	10,894
Amount due from Manager	11	451,560	-
Financial assets at fair value through profit or loss	9	-	181,183,858
Forward foreign currency contracts at fair value through profit or loss	12	-	171,879
Tax recoverable		451,560	-
TOTAL ASSETS		<u>175,777,146</u>	<u>191,323,738</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	12	-	5,078,710
Amount due to Manager			
- management fee		15,327	29,532
- advance from Manager	11	451,560	-
Amount due to Trustee		3,065	5,906
Fund accounting fee		2,744	1,083
Auditors' remuneration		8,000	8,000
Tax agent's fee		3,500	3,500
Distribution payable		6,720,445	-
Tax provision		-	733,736
Other payables and accruals		7,380	679
TOTAL LIABILITIES		<u>7,212,021</u>	<u>5,861,146</u>
NET ASSET VALUE OF THE FUND		<u>168,565,125</u>	<u>185,462,592</u>
EQUITY			
Unit holders' capital		226,076,644	237,865,842
Accumulated losses		(57,511,519)	(52,403,250)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>168,565,125</u>	<u>185,462,592</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT OF FINANCIAL POSITION AS AT 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

	<u>Note</u>	As at 16.6.2025 (date of maturity) RM	As at <u>29.2.2024</u> RM
NUMBER OF UNITS IN CIRCULATION	14	<u>218,907,000</u>	<u>233,937,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7700</u>	<u>0.7928</u>

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY)

	Unit holders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 March 2024	237,865,842	(52,403,250)	185,462,592
Total comprehensive income for the financial period	-	9,086,136	9,086,136
Distributions (Note 8)	-	(14,194,405)	(14,194,405)
Movement in unit holders' capital:			
Cancellation of units	(11,789,198)	-	(11,789,198)
Balance as at 16 June 2025 (date of maturity)	<u>226,076,644</u>	<u>(57,511,519)</u>	<u>168,565,125</u>
Balance as at 1 March 2023	246,990,927	(29,927,794)	217,063,133
Total comprehensive loss for the financial year	-	(17,859,425)	(17,859,425)
Distribution (Note 8)	-	(4,616,031)	(4,616,031)
Movement in unit holders' capital:			
Cancellation of units	(9,125,085)	-	(9,125,085)
Balance as at 29 February 2024	<u>237,865,842</u>	<u>(52,403,250)</u>	<u>185,462,592</u>

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY)

	<u>Note</u>	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale and redemption of investments		361,494,853	153,395,605
Purchase of investments		(190,808,780)	(139,653,799)
Interest received		13,076,505	10,030,494
Management fee paid		(473,043)	(381,496)
Trustee fee paid		(94,608)	(76,300)
Fund accounting fee paid		(16,250)	(11,917)
Payment for other fees and expenses		(84,340)	(69,742)
Realised gain/(loss) on forward foreign currency contracts		1,690,232	(1,978,376)
Net realised gain on foreign exchange		451,154	1,238,898
Tax paid		(1,055,646)	(1,433,998)
Net cash flows generated from operating activities		<u>184,180,077</u>	<u>21,059,369</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for cancellation of units		(11,789,198)	(9,125,085)
Payment for distribution		(7,473,960)	(4,616,031)
Net cash flows used in financing activities		<u>(19,263,158)</u>	<u>(13,741,116)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		164,916,919	7,318,253
EFFECTS OF FOREIGN CURRENCY EXCHANGE		-	(479,861)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR		<u>9,957,107</u>	<u>3,118,715</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/ YEAR	10	<u><u>174,874,026</u></u>	<u><u>9,957,107</u></u>

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY)

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards. 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) measured at fair value through profit or loss.

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

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

The Fund commenced operations on 19 March 2020 and matured on 16 June 2025 (date of maturity), where the maturity date of the Fund is the fifth anniversary of the investment date. The Manager and Trustee of the Fund authorised the maturity of the trust in respect of the Fund on 16 June 2025. As such, the going concern assumption can no longer be used for the preparation of financial statements. Accordingly, the Manager has prepared the financial statements on a non-going concern basis of accounting. The net proceeds have been distributed pro rata to unit holders on 20 June 2025 according to the number of units held in the Fund as at 16 June 2025 including the tax recoverable amount which was distributed using the advance from the Manager. The Fund is liable to repay the advance to the Manager upon the Fund's receipt of the tax recoverable.

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

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Fund.

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

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition);

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (continued)
- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) (continued)
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").
 - MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'
 - The new MFRS introduces a new structure of profit or loss statement.
 - i. Income and expenses are classified into 3 new main categories
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of the investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - ii. Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The adoption of the above standards and amendments to the standards is not expected to have a material effect on the financial statements of the Fund as the Fund has matured on 16 June 2025.

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

B INCOME RECOGNITION

Interest income

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

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

Realised gains and losses on sale of investments

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

C TAXATION

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

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

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

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

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

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

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

C TAXATION (CONTINUED)

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

D DISTRIBUTION

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

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

(ii) Recognition and measurement

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

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

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

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

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 loss on financial assets at fair value through profit and loss' in the period which they arise.

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

Financial assets measured at amortised cost and other financial liabilities except forward foreign currency contracts 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 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.

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

H CASH AND CASH EQUIVALENTS

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

I AMOUNT DUE FROM/(TO) DEALERS

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

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

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

J UNIT HOLDERS' CAPITAL

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

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

The outstanding units are carried at the redemption amount that is payable at each financial period/year if unit holders exercise the right to put the unit back to the Fund.

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

K DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in the statement of comprehensive income when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss, respectively.

AHAM FLEXIBLE MATURITY INCOME FUND 18

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

K DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised portions of 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 FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY)

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Flexible Maturity Income Fund 18 (the “Fund”) pursuant to the execution of a Deed dated 8 May 2020 as modified by First Supplemental Deed dated 27 September 2023 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Flexible Maturity Income Fund 18 to AHAM Flexible Maturity Income Fund 18 as amended by Supplemental Deed dated 27 September 2023.

The Fund commenced operations on 19 March 2020 and matured on 16 June 2025 (date of maturity), where the maturity date of the Fund is the fifth anniversary of the investment date. The Manager and Trustee of the Fund authorised the maturity of the trust in respect of the Fund on 16 June 2025. As such, the going concern assumption can no longer be used for the preparation of financial statements. Accordingly, the Manager has prepared the financial statements on a non-going concern basis of accounting. The net proceeds have been distributed pro rata to unit holders on 20 June 2025 according to the number of units held in the Fund as at 16 June 2025 including the tax recoverable amount which was distributed using the advance from the Manager. The Fund is liable to repay the advance to the Manager upon the Fund’s receipt of the tax recoverable.

The Fund may invest in any of the following investments:

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

All investments will be subjected to the SC’s Guidelines on 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 income through investments in fixed income instruments.

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

The financial statements were authorised for issue by the Manager on 25 July 2025.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>As at 16.6.2025 (date of maturity)</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	174,874,026	-	174,874,026
Amount due from Manager	11	451,560	-	451,560
Total		<u>175,325,586</u>	<u>-</u>	<u>175,325,586</u>

As at 16 June 2025 (date of maturity), the Fund's investments have been sold off and the remaining investments in Credit Suisse Additional Tier-1 bonds have been written down to RM Nil since 19 March 2023.

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		15,327	-	15,327
- advance from Manager	11	451,560	-	451,560
Amount due to Trustee		3,065	-	3,065
Fund accounting fee		2,744	-	2,744
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Distribution payable		6,720,445	-	6,720,445
Other payables and accruals		7,380	-	7,380
Total		<u>7,212,021</u>	<u>-</u>	<u>7,212,021</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>As at 29.2.2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	9,957,107	-	9,957,107
Amount due from dealers		10,894	-	10,894
Unquoted fixed income securities	9	-	181,183,858	181,183,858
Forward foreign currency contracts	12	-	171,879	171,879
Total		<u>9,968,001</u>	<u>181,355,737</u>	<u>191,323,738</u>

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>As at 29.2.2024 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		29,532	-	29,532
Amount due to Trustee		5,906	-	5,906
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		679	-	679
Forward foreign currency contracts	12	-	5,078,710	5,078,710
Total		<u>48,700</u>	<u>5,078,710</u>	<u>5,127,410</u>

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

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Market risk

(a) Price risk

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

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

	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Unquoted investments		
Unquoted fixed income securities*	-	181,183,858

*Includes interest receivable of RM Nil (2024: RM2,344,035).

The Fund is not exposed to price risk as at 16 June 2025 (date of maturity) as the investments of the Fund have been sold off and the remaining investments in Credit Suisse Additional Tier-1 bonds have been written down to RM Nil since 19 March 2023.

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

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit/(loss) after tax/ NAV RM
<u>As at 29.2.2024</u>		
- 3%	173,474,628	(5,365,195)
0%	178,839,823	-
+ 3%	184,205,018	5,365,195

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

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

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

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

The table below summarises the sensitivity of the Fund's profit/(loss) after taxation and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate as at 29 February 2024. The analysis is based on the assumptions that the interest rate increased and decreased by 1% (100 basis points) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit/(loss) after tax/NAV</u> As at <u>29.2.2024</u> RM
+ 1%	(171,407)
- 1%	106,177

The Fund is not exposed to interest rate risk as at 16 June 2025 (date of maturity) as the investments of the Fund have been sold off and the remaining investments in Credit Suisse Additional Tier-1 bonds have been written down to RM Nil since 19 March 2023.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Market risk (continued)

(c) Currency risk

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

The Fund has no financial instruments denominated in foreign currencies as at 16 June 2025 (date of maturity).

The following table sets out the foreign currency risk concentrations and counterparties of the Fund as at 29 February 2024:

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealers</u> RM	<u>Total</u> RM
<u>As at 29.2.2024</u>					
<u>Financial assets</u>					
Australian Dollar	3,193,803	26,206	102,104	-	3,322,113
Chinese Renminbi	-	-	132	-	132
Euro	3,968,836	125,917	188,412	-	4,283,165
Singapore Dollar	19,390,651	19,756	25,878	-	19,436,285
United States Dollar	125,530,605	-	7,376,058	10,894	132,917,557
	<u>152,083,895</u>	<u>171,879</u>	<u>7,692,584</u>	<u>10,894</u>	<u>159,959,252</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund as at 29 February 2024: (continued)

	Forward foreign currency contracts RM	Total RM
<u>As at 29.2.2024</u> (continued)		
<u>Financial liabilities</u>		
Singapore Dollar	529,297	529,297
United States Dollar	4,549,413	4,549,413
	<u>5,078,710</u>	<u>5,078,710</u>

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and NAV to changes in foreign exchange movements as at 29 February 2024. 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 remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unit holders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit/(loss) after tax NAV RM
<u>As at 29.2.2024</u>		
Australian Dollar	+/- 7.70	+/- 255,803
Chinese Renminbi	+/- 4.55	+/- 6
Euro	+/- 5.41	+/- 231,719
Singapore Dollar	+/- 3.55	+/- 671,198
United States Dollar	+/- 5.70	+/- 7,316,984

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (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 investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

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

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

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

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

	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>As at 16.6.2025 (date of maturity)</u>			
Financial Services			
- AAA	174,874,026	-	174,874,026
- Non-rated ("NR")	-	451,560	451,560
	<u>174,874,026</u>	<u>451,560</u>	<u>175,325,586</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Amount due from dealers RM	Total RM
<u>As at 29.2.2024</u>					
Basic Materials					
- A	2,402,030	-	-	-	2,402,030
- AA2	5,168,042	-	-	-	5,168,042
- Ba3	3,194,881	-	-	-	3,194,881
- Baa2	7,244,873	-	-	-	7,244,873
Consumer Discretionary					
- AA1	5,201,521	-	-	-	5,201,521
- Baa3	7,516,587	-	-	-	7,516,587
- BBB-	4,810,713	-	-	-	4,810,713
Energy					
- Baa1	4,764,283	-	-	-	4,764,283
Financial Services					
- A2	1,915,244	-	-	-	1,915,244
- A3	5,361,911	-	-	-	5,361,911
- AA1	-	26,207	-	-	26,207
- AA2	-	19,755	-	-	19,755
- AA3	5,116,889	-	-	-	5,116,889
- AAA	-	125,917	9,957,107	-	10,083,024
- Ba1	10,917,826	-	-	-	10,917,826
- Ba2	15,696,719	-	-	-	15,696,719
- Baa1	15,428,876	-	-	-	15,428,876
- Baa2	12,011,142	-	-	-	12,011,142
- Baa3	3,338,865	-	-	-	3,338,865
- BBB	10,038,893	-	-	-	10,038,893
- BBB-	5,638,794	-	-	-	5,638,794
- BBB+	8,595,565	-	-	-	8,595,565

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Amount due from dealers RM	Total RM
<u>As at 29.2.2024</u> (continued)					
Government					
- Aaa	14,140,017	-	-	-	14,140,017
Health Care					
- A+	4,920,823	-	-	-	4,920,823
Industrials					
- A	4,618,166	-	-	-	4,618,166
- Baa1	5,696,292	-	-	-	5,696,292
Real Estate					
- AA	3,047,986	-	-	-	3,047,986
- Baa1	1,849,956	-	-	-	1,849,956
- C	442,906	-	-	10,894	453,800
- NR	826,450	-	-	-	826,450
Technology					
- Baa3	10,251,072	-	-	-	10,251,072
Utilities					
- AA1	1,026,536	-	-	-	1,026,536
	<u>181,183,858</u>	<u>171,879</u>	<u>9,957,107</u>	<u>10,894</u>	<u>191,323,738</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by 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</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>As at 16.6.2025 (date of maturity)</u>			
Amount due to Manager			
- management fee	15,327	-	15,327
- advance from Manager	451,560	-	451,560
Amount due to Trustee	3,065	-	3,065
Fund accounting fee	2,744	-	2,744
Auditors' remuneration	-	8,000	8,000
Tax agent's fee	-	3,500	3,500
Distribution payable	6,720,445	-	6,720,445
Other payables and accruals	-	7,380	7,380
	<u>7,193,141</u>	<u>18,880</u>	<u>7,212,021</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>As at 29.2.2024</u>			
Amount due to Manager			
- management fee	29,532	-	29,532
Amount due to Trustee	5,906	-	5,906
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	8,000	8,000

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

Liquidity risk (continued)

The amounts in the table below are the contractual undiscounted cash flows: (continued)

	Between Within <u>one month</u> RM	one month <u>to one year</u> RM	<u>Total</u> RM
<u>As at 29.2.2024</u> (continued)			
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	679	679
Forward foreign currency contracts	204,006	4,874,704	5,078,710
	<u>240,527</u>	<u>4,886,883</u>	<u>5,127,410</u>

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

Capital risk

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

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active market (such as trading securities) is based on quoted market prices at the close of trading on the financial period/year end date. The Fund utilises the last traded price for financial assets which falls within the bid-ask spread.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

As at 16 June 2025 (date of maturity), the Fund's investments have been sold off and the remaining investments in Credit Suisse Additional Tier-1 bonds have been written down to RM Nil since 19 March 2023.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and financial liabilities (by class) measured at fair value as at 29 February 2024:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>As at 29.2.2024</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	181,183,858	-	181,183,858
- forward foreign currency contracts	-	171,879	-	171,879
	<u>-</u>	<u>181,355,737</u>	<u>-</u>	<u>181,355,737</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	5,078,710	-	5,078,710
	<u>-</u>	<u>5,078,710</u>	<u>-</u>	<u>5,078,710</u>

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities and forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying value of cash and cash equivalents, amount due from dealers, amount due from Manager and all current liabilities, except for forward foreign currency contracts, are a reasonable approximation of the fair values due to their short-term nature.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

4 MANAGEMENT FEE

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

For the financial period from 1 March 2024 to 16 June 2025 (date of maturity), the management fee is recognised at a rate of 0.20% (financial year ended 29 February 2024: 0.20%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

5 TRUSTEE FEE

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

For the financial period from 1 March 2024 to 16 June 2025 (date of maturity), the Trustee fee is recognised at a rate of 0.04% (financial year ended 29 February 2024: 0.04%) per annum on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM17,911 (2024: RM13,000) during the financial period/year.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

7 TAXATION

	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
Current taxation	-	1,914,693
Deferred tax (Note 13)	-	(1,064,848)
Over provision in previous financial year	129,650	-
	<u>129,650</u>	<u>849,845</u>

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

	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
Net profit/(loss) before taxation	8,956,486	(17,009,580)
Tax at Malaysian statutory rate of 24% (2024: 24%)	2,149,557	(4,082,299)
Tax effects of:		
(Investment income not subject to tax)/ investment loss not brought to tax	(2,307,850)	4,803,954
Expenses not deductible for tax purposes	25,983	35,612
Restriction on tax deductible expenses for Wholesale Fund	132,310	92,578
Over provision in previous financial year	129,650	-
Tax expense	<u>129,650</u>	<u>849,845</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

8 DISTRIBUTION

	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
Net distribution amount	14,194,405	4,616,031

During the financial period from 1 March 2024 to 16 June 2025 (date of maturity), distributions were made as follows:

<u>Ex-date</u>	Gross distribution per unit sen	Net distribution per unit sen
18.06.2024	3.6189	3.2500
16.06.2025	3.0700	3.0700
	6.6889	6.3200

During the financial year ended 29 February 2024, distributions were made as follows:

<u>Ex-date</u>	Gross distribution per unit sen	Net distribution per unit sen
16.06.2023	1.900	1.900

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

Included in distribution for the financial period/year is an amount of RM5,233,858 (2024: RM4,616,031) made from previous financial year's realised income.

The distribution payable was settled on 18 June 2025.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	-	29,099,963
- unquoted fixed income securities – foreign	-	152,083,895
	-	181,183,858
	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
Net loss on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(7,990,444)	(38,432,587)
- unrealised gain on changes in fair value	-	23,076,414
	(7,990,444)	(15,356,173)

(a) Unquoted fixed income securities – local

(i) There are no unquoted fixed income securities – local as at 16 June 2025 (date of maturity).

(ii) Unquoted fixed income securities – local as at 29 February 2024 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
5.19% Genting RMTN Berhad 25.03.2027 (AA1)	5,000,000	5,111,621	5,201,521	2.81
4.13% Malayan Banking Berhad Call: 25.09.2026 (AA3)	5,000,000	5,086,861	5,116,889	2.76
4.30% Press Metal Aluminium Holdings Berhad 18.09.2028 (AA2)	5,000,000	5,113,618	5,168,042	2.79
4.30% SP Setia Berhad Group 23.06.2026 (AA)	3,000,000	3,023,326	3,047,986	1.64

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 29 February 2024 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.95% TG Excellence Berhad Call: 27.02.2025 (A+)	5,000,000	4,909,272	4,920,823	2.65
5.80% WCT Holdings Berhad Call: 27.09.2024 (A)	4,500,000	4,681,621	4,618,166	2.49
4.95% YTL Power International Berhad 11.10.2024 (AA1)	1,000,000	1,024,541	1,026,536	0.55
Total unquoted fixed income securities – local	28,500,000	28,950,860	29,099,963	15.69
Accumulated unrealised gain on unquoted fixed income securities – local		149,103		
Total unquoted fixed income securities – local		29,099,963		

(b) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 16 June 2025 (date of maturity):

The Fund's remaining unquoted fixed income securities of 6.2500% Credit Suisse Group AG Perpetual (ISIN: XS1076957700) with nominal value of RM2,118,500 (USD500,000), 7.50% Credit Suisse Group AG Perpetual (ISIN: USH3698DBW32) with nominal value of RM6,355,500 (USD1,500,000) and 5.625% Credit Suisse Group AG Perpetual (ISIN: CH0482172324) with nominal value of RM5,792,850 (SGD1,750,000) had been fully written down to RM Nil since 19 March 2023.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 29 February 2024 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.00% AAC Technologies Holdings Inc Call: 27.11.2024 (Baa3)	10,428,000	10,166,049	10,251,072	5.53
5.75% Argentum Netherlands BV Swiss Call: 15.08.2025 (BBB-)	3,792,000	3,586,925	3,880,754	2.09
5.00% Bangkok Bank PCL/Hong Kong Call: 23.09.2025 (Ba1)	7,110,000	6,871,290	7,066,234	3.81
3.75% Barclays PLC Call: 23.05.2025 (Baa1)	4,407,125	4,310,162	4,381,437	2.36
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	1,849,440	1,811,851	1,742,552	0.94
4.7500% BNP Paribas SA Call: 15.02.2029 (Baa2)	1,762,850	1,783,142	1,770,521	0.95
4.375% BP Capital Markets PLC Call: 22.06.2025 (Baa1)	4,740,000	4,372,591	4,764,283	2.57
2.45% China Construction Bank Corp Call: 24.06.2025 (BBB+)	8,058,000	7,306,002	7,770,005	4.19
4.50% Cloverie Plc for Swiss Reins. Call: 11.09.2024 (A2)	1,896,000	1,807,386	1,915,244	1.04
1.125% CNAC HK Finbridge Co Ltd 22.09.2024 (Baa2)	2,057,160	1,962,108	2,022,082	1.09
4.875% CNAC HK Finbridge Co Ltd 14.03.2025 (A)	2,370,000	2,139,292	2,402,030	1.30
4.375% Cooperatieve Rabobank UA Call: 29.06.2027 (Baa3)	2,057,160	1,942,332	1,946,754	1.05
3.97% CRCC Chengan Ltd Call: 27.06.2024 (Baa1)	5,688,000	5,609,255	5,696,292	3.07
5.625% Credit Suisse Group AG Call: 06.06.2024 (NR) *	6,169,975	5,796,434	-	-
6.25% Credit Suisse Group AG Call: 18.12.2024 (NR) *	2,370,000	2,180,467	-	-
7.50% Credit Suisse Group AG Call: 17.07.2024 (NR) *	7,110,000	6,844,386	-	-
4.875% DNB Bank ASA Call: 12.11.2024 (Baa2)	6,162,000	5,645,519	6,160,524	3.32

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 29 February 2024 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
2.625% Far East Horizon Ltd 03.03.2024 (BBB-)	2,844,000	2,718,794	2,876,932	1.55
3.375% Far East Horizon Ltd 18.02.2025 (BBB-)	2,844,000	2,645,710	2,761,862	1.49
2.18% FLCT Treasury Pte Ltd 26.07.2028 (BBB+)	881,425	778,093	825,560	0.45
5.00% Fukoku Mutual Life Insurance Call: 28.07.2025 (Baa1)	1,422,000	1,411,938	1,406,904	0.76
4.00% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	7,584,000	7,075,935	7,516,587	4.05
3.00% Geely Finance HK Ltd 05.03.2025 (BBB-)	948,000	938,711	929,959	0.50
0.976% HSBC Holdings PLC Call: 24.05.2024 (A3)	1,896,000	1,793,202	1,878,992	1.01
5.50% Huarong Finance II Co Ltd 16.01.2025 (Ba2)	6,162,000	5,683,639	6,152,603	3.32
8.25% Indika Energy Capital IV Call: 27.03.2024 (Ba3)	3,081,000	2,932,133	3,194,881	1.72
4.75% Indonesia Asahan Aluminium Tbk Call: 15.04.2025 (Baa2)	5,214,000	4,852,193	5,222,791	2.82
3.875% ING Groep NV Call: 16.05.2027 (Ba1)	1,422,000	1,262,421	1,176,707	0.63
3.3430% Kasikornbank Public Co Ltd Call: 02.10.2026 (Ba1)	2,844,000	2,683,577	2,674,885	1.44
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba2)	2,370,000	2,295,367	2,360,222	1.27
5.25% Lloyds Banking Group PLC Call 22.08.2028 (Baa1)	881,425	878,292	919,870	0.50
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB)	2,844,000	2,612,187	2,817,355	1.52
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB)	7,110,000	7,144,635	7,221,538	3.89
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	1,896,000	1,692,776	1,849,956	1.00

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 29 February 2024 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
5.00% Shinhan Bank Co Ltd 30.08.2028 (Baa1)	1,541,200	1,497,049	1,451,251	0.78
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	7,051,400	6,367,214	7,183,894	3.87
3.125% Swiss Re Finance UK Call: 03.07.2025 (A3)	3,525,700	3,094,508	3,482,919	1.88
6.20% Times China Holdings Ltd Call: 25.03.2024 (NR)**	948,000	826,400	36,498	0.02
6.60% Times China Holdings Ltd 02.03.2023 (NR)**	4,740,000	4,590,000	160,212	0.09
6.75% Times China Holdings Ltd Call: 06.03.2024 (NR)**	6,636,000	5,994,800	246,196	0.13
5.125% UBS Group AG Call: 29.07.2026 (Baa3)	1,422,000	1,318,217	1,392,111	0.75
0.7500% United States Treasury N/B 15.11.2024 (Aaa)	2,370,000	2,293,565	2,303,177	1.24
2.00% United States Treasury N/B 31.05.2024 (Aaa)	9,480,000	9,277,901	9,451,819	5.10
3.25% United States Treasury N/B 31.08.2024 (Aaa)	2,370,000	2,394,285	2,385,021	1.29
2.33% UOL Treasury Services 31.08.2028 (NR)	881,425	776,539	826,450	0.45
2.894% Westpac Banking Corp Call: 04.02.2025 (Baa1)	5,688,000	5,401,471	5,526,862	2.98
5.00% Westpac Banking Corp Call: 21.09.2027 (Baa2)	4,266,000	3,916,766	4,080,097	2.20
Total unquoted fixed income securities – foreign	<u>181,191,285</u>	<u>171,283,509</u>	<u>152,083,895</u>	<u>82.00</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(19,199,614)</u>		
Total unquoted fixed income securities – foreign		<u>152,083,895</u>		

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

*Credit Suisse Group AG

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

As of 7 June 2023, Quinn Emanuel Urquhart & Sullivan LLP (“Quinn Emanuel”) informed global AT1 bondholders, including the Manager, that the Swiss Federal Administrative Court (“SFAC”) had acknowledged receipt of the filing made by the firm on 18 April 2023. A judge was assigned to oversee the proceedings. The Court ordered the disclosure of FINMA’s decree mandating the AT1 bond write-down, requested further submissions from appellants on the decree’s significance, and ordered FINMA to produce the full file regarding its decision, which includes all relevant materials used in the write-down process.

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

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

Since the announcement in March 2023, several investor groups globally have initiated legal proceedings seeking compensation for the AT1 write-down. Quinn Emanuel and UK-based Pallas launched separate Swiss lawsuits against FINMA over the decision. Quinn Emanuel represents plaintiffs with USD6 billion of AT1 claims, while Pallas’s clients hold about USD2 billion of Credit Suisse AT1 securities. The Manager has appointed Quinn Emanuel to represent its investors for affected funds and portfolios, including unit holders of the Fund.

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

*Credit Suisse Group AG (continued)

As of 11 July 2025, Quinn Emanuel is still awaiting the Swiss Federal Administrative Court ("SFAC")'s delivery of UBS's and FINMA's reply submissions. A supervisory complaint was filed with the Swiss Federal Supreme Court ("Supreme Court") concerning the delay or denial of justice by the SFAC. Among the questions posed in the supervisory complaint was why there has been no meaningful progress in the legal proceedings on the part of the SFAC since Spring 2024. The Supreme Court has ordered the SFAC to respond to the supervisory complaint by 27 July 2025. The legal proceedings are ongoing and the Manager will continue to maintain close communication with Quinn Emanuel regarding the progress of the lawsuit.

The ongoing legal fees for services rendered by Quinn Emanuel to recover the losses incurred from the write-down of the Credit Suisse AT1 bond is currently advanced by the Manager, which will be repayable to the Manager upon the successful recovery of the Credit Suisse AT1 bonds from the legal proceedings. The remaining recovery proceeds will be disbursed in proportion of the value each unit holder was entitled to as at the occurrence of the write-down of the bond.

10 CASH AND CASH EQUIVALENTS

	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Cash and bank balances	174,874,026	7,711,957
Deposit with a licensed financial institution	-	2,245,150
	<u>174,874,026</u>	<u>9,957,107</u>

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

	As at 16.6.2025 (date of maturity) %	As at 29.2.2024 %
Deposit with a licensed financial institution	-	3.02

The deposit with a licensed financial institution has an average remaining maturity period of Nil day (2024: 1 day).

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

11 AMOUNT DUE FROM/(TO) MANAGER – ADVANCE FROM MANAGER

The Manager has advanced to the Fund an amount equivalent of the Fund's tax recoverable of RM451,560 on 20 June 2025, as part of the proceeds to be distributed to unit holders according to the number of units held by the unit holders in the Fund as at 16 June 2025. The Fund is liable to repay the advance to the Manager upon the Fund's receipt of the tax recoverable.

12 FORWARD FOREIGN CURRENCY CONTRACTS

As at 16 June 2025 (date of maturity), there are Nil (29.2.2024: 15) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM Nil (29.2.2024: RM144,235,707). The forward foreign currency contracts entered during the financial period/year were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Australian Dollar, Euro, British Pound Sterling, Singapore Dollar and United States Dollar. As the Fund has not adopted hedge accounting during the financial period/year, the changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	-	171,879
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	-	5,078,710
	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) RM	Financial year ended 29.2.2024 RM
Net gain/(loss) on forward foreign currency contacts at fair value through profit or loss:		
- realised gain/(loss) on forward foreign currency contracts	6,597,063	(1,978,376)
- unrealised loss on forward foreign currency contracts	-	(8,931,128)
	6,597,063	(10,909,504)

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

12 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

- (i) There are no forward foreign currency contracts as at 16 June 2025 (date of maturity).
- (ii) Forward foreign currency contracts as at 29 February 2024 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Berhad	45,826,500	47,592,248	(1,765,748)	(0.95)
AmBank (M) Berhad	3,838,500	3,868,782	(30,281)	(0.02)
BNP Paribas Malaysia Berhad	16,902,815	17,286,869	(384,055)	(0.21)
CIMB Bank Berhad	77,667,892	80,394,639	(2,726,747)	(1.47)
	<u>144,235,707</u>	<u>149,142,538</u>	<u>(4,906,831)</u>	<u>(2.65)</u>

13 DEFERRED TAX LIABILITIES

	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Deferred tax liabilities	-	-

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

	Foreign interest receivables on financial assets at fair value through profit or loss	
	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Balance as at the beginning of the financial period/year	-	1,064,848
Transfer to income statement (Note 7)	-	(1,064,848)
Balance as at the end of the financial period/year	-	-

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

14 NUMBER OF UNITS IN CIRCULATION

	As at 16.6.2025 (date of maturity) No. of units	As at 29.2.2024 No. of units
At the beginning of financial period/year	233,937,000	245,598,000
Cancellation of units	(15,030,000)	(11,661,000)
At the end of the financial period/year	<u>218,907,000</u>	<u>233,937,000</u>

The Fund has matured on 16 June 2025 and all the units in circulation were subsequently cancelled on 17 June 2025 by the Manager and settled on 20 June 2025.

15 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the financial period from 1 March 2024 to 16 June 2025 (date of maturity) are as follows :

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
Bank of America Corporation	47,437,520	10.49
CIMB Bank Berhad	46,287,549	10.23
Deutsche Bank (Malaysia) Berhad	44,265,240	9.79
MarketAxess Holdings Inc*	30,775,203	6.80
J.P. Morgan Chase Bank Berhad	27,533,487	6.09
Barclays Bank Public Limited Company	25,068,197	5.54
Affin Hwang Investment Bank Berhad*	22,082,100	4.88
Citigroup Global Markets	21,601,184	4.78
Standard Chartered Bank Malaysia Berhad	20,555,729	4.54
HSBC Banking Corporation Limited	19,863,759	4.39
Others*	146,888,931	32.47
	<u>452,358,899</u>	<u>100.00</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

15 TRANSACTIONS WITH DEALERS (CONTINUED)

- (ii) Details of transactions with the dealers for financial year ended 29 February 2024 are as follows:

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
MarketAxess Holdings Inc*	66,555,270	25.57
RHB Investment Bank Berhad*	47,466,958	18.24
J.P. Morgan Chase Bank Berhad	17,869,656	6.87
Nomura Singapore Ltd	11,731,289	4.51
Australia & New Zealand Banking Group Ltd	11,268,238	4.33
Barclays Bank Public Limited Company	9,827,999	3.78
Citigroup Global Markets	9,673,505	3.72
HSBC Bank Malaysia Berhad	8,622,672	3.31
Mizuho Securities Asia Ltd	7,210,509	2.77
Morgan Stanley Asia Ltd	6,547,810	2.52
Others*	63,464,857	24.38
	<u>260,238,763</u>	<u>100.00</u>

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

<u>Name of dealers</u>	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
Affin Hwang Investment Bank Berhad	22,082,100	5,919,520
MarketAxess Holdings Inc	23,763,259	68,427,713
RHB Investment Bank Berhad	2,018,900	44,671,352
Tradeweb Markets Inc	9,636,753	-
	<u>57,501,012</u>	<u>119,018,585</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

15 TRANSACTIONS WITH DEALERS (CONTINUED)

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

	As at 16.6.2025 (date of maturity) RM	As at 29.2.2024 RM
AHAM Absolute Return Fund I	-	134,115
AHAM Aiiman ESG Income Plus Fund	-	1,226,875
AHAM Asia Bond Fund	-	1,650,832
AHAM Bond Fund	-	1,012,020
AHAM Flexible Maturity Income Fund 15	4,572,745	10,760,463
AHAM Flexible Maturity Income Fund 16	15,937,499	3,815,232
AHAM Flexible Maturity Income Fund 17	2,998,855	6,349,857
AHAM Flexible Maturity Income Fund 19	1,744,997	10,803,149
AHAM Flexible Maturity Income Fund 20	872,498	5,386,370
AHAM Flexible Maturity Income Fund 21	9,219,479	381,242
AHAM Hard Currencies Fixed Income Fund	2,816,260	3,692,085
AHAM Income Extra Fund	3,026,400	1,226,875
AHAM Income Fund 3	2,018,900	-
AHAM Income Fund 7	-	1,226,875
AHAM RMB Bond Fund	-	3,377,049
AHAM Select Asia Pacific (ex Japan) Balanced Fund	-	1,069,502
AHAM Select AUD Income Fund	-	281,742
AHAM Select Bond Fund	3,020,400	28,808,665
AHAM Select Income Fund	-	21,458,825
AHAM Select SGD Income Fund	-	1,429,627
AHAM Single Bond Series 3	-	5,256,815
AHAM Single Bond Series 5	-	7,924,927
Private mandates	11,272,979	1,745,443
	<u>57,501,012</u>	<u>119,018,585</u>

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

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

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

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

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

	<u>As at</u> <u>16.6.2025 (date of maturity)</u>		<u>As at</u> <u>29.2.2024</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)	3,035	2,337	3,732	2,959

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

AHAM FLEXIBLE MATURITY INCOME FUND 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MARCH 2024 TO 16 JUNE 2025 (DATE OF MATURITY) (CONTINUED)

17 TOTAL EXPENSE RATIO ("TER")

	Financial period from 1.3.2024 to 16.6.2025 (date of maturity) %	Financial year ended 29.2.2024 %
TER	0.37	0.28

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/year calculated on a daily basis is RM177,034,520 (2024: RM188,620,223).

18 PORTFOLIO TURNOVER RATIO ("PTR")

	Financial period from 1.3.2024 to 16.6.2025 (date of maturity)	Financial year ended 29.2.2024
PTR (times)	1.59	0.88

PTR is derived from the following calculation:

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

where: total acquisition for the financial period/year = RM190,819,674 (2024: RM139,653,799)
total disposal for the financial period/year = RM373,648,918 (2024: RM191,839,087)

AHAM FLEXIBLE MATURITY INCOME FUND 18

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 46 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 16 June 2025 and of its financial performance, changes in equity and cash flows for the financial period from 1 March 2024 to 16 June 2025 (date of maturity) in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
25 July 2025

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 18

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Flexible Maturity Income Fund 18 (“the Fund”) give a true and fair view of the financial position of the Fund as at 16 June 2025 (date of maturity), and of its financial performance and its cash flows for the financial period from 1 March 2024 to 16 June 2025 (date of maturity) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 16 June 2025, 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 46.

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 on the basis of preparation of the financial statements which states that the Fund has matured on 16 June 2025. These financial statements have therefore been prepared using a non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 18
(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 Standard and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF FAHAM FLEXIBLE MATURITY INCOME FUND 18
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 18
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 18
(CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
25 July 2024

DIRECTORY OF SALES OFFICE

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