



ANNUAL REPORT
30 April 2024

AHAM Smart Invest Portfolio – Income

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

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

Built On Trust

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AHAM SMART INVEST PORTFOLIO – INCOME

Annual Report and Audited Financial Statements For The Financial Year Ended 30 April 2024

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FUND INFORMATION

Fund Name	AHAM Smart Invest Portfolio – Income
Fund Type	Income
Fund Category	Mixed assets (Fund-of Funds)
Investment Objective	The Fund seeks to provide investors with regular income over medium and long term period by investing in a portfolio of collective investment schemes
Benchmark	Absolute return of 4% per annum
Distribution Policy	Subject to the availability of income, the Fund will distribute income on a quarterly basis, after the end of its first financial year. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.

FUND PERFORMANCE DATA

Category	As At 30 Apr 2024 (%)	As At 30 Apr 2023 (%)	As At 30 Apr 2022 (%)
Portfolio Composition			
Quoted equities - local			
- Real Estate Investment Trust ("REITs")	2.11	5.36	-
Total Quoted equities – local	2.11	5.36	-
Collective investment schemes – local			
Total collective investment schemes – local	54.61	45.99	20.02
Collective investment schemes – foreign			
Total collective investment schemes – foreign	33.22	38.91	54.34
Exchange Traded Fund – foreign			
Total Exchange Traded Fund – foreign	4.20	7.55	23.5
Cash and cash equivalent	5.86	2.19	2.14
Total	100.00	100.00	100.00
Total NAV (RM' million)	87.950	153.895	222.050
NAV per Unit (RM)	0.4739	0.4680	0.4946
Unit in Circulation (million)	185.597	328.862	448.951
Highest NAV	0.4810	0.4948	0.5425
Lowest NAV	0.4540	0.4615	0.4945
Return of the Fund (%)	5.77	-3.18	-5.78
- Capital Return (%)	1.26	-5.38	-6.98
- Income Return (%)	4.45	2.32	1.28
Gross Distribution per Unit (sen)	2.04	1.10	0.68
Net Distribution per Unit (sen)	2.04	1.10	0.68
Total Expenses Ratio (%) ¹	0.94	0.89	0.88
Portfolio Turnover Ratio (times) ²	2.13	2.81	1.96

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

An illustration of the above would be as follow:-

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

¹ The Fund's TER was higher due to a lower average Net Asset Value for the financial year.

² The Fund recorded a lower PTR than the previous year due to decreased trading activities during the financial year.

Income Distribution / Unit Split

NAV per Unit prior and subsequent to the distributions are as follow:

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
10-Aug-21	11-Aug-21	0.5394	0.0038	0.5368
18-Jan-22	19-Jan-22	0.5308	0.0030	0.5253
17-Jan-23	18-Jan-23	0.4886	0.0062	0.4828
18-Apr-23	19-Apr-23	0.4740	0.0048	0.4689
19-Jul-23	20-Jul-23	0.4698	0.0058	0.4641
17-Oct-23	18-Oct-23	0.4594	0.0030	0.4564
16-Jan-24	17-Jan-24	0.4738	0.0066	0.4670
16-Apr-24	17-Apr-24	0.4777	0.0050	0.4719

No unit splits were declared for the financial year ended 30 April 2024.

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sen / cents)	Income (%)	Capital (per unit) (sen / cents)	Capital (%)
MYR	11-Aug-21	0.3800	100.00	0.0000	0.00
MYR	19-Jan-22	0.3000	100.00	0.0000	0.00
MYR	18-Jan-23	0.6200	100.00	0.0000	0.00
MYR	19-Apr-23	0.4800	100.00	0.0000	0.00
MYR	20-Jul-23	0.5800	100.00	0.0000	0.00
MYR	18-Oct-23	0.3000	100.00	0.0000	0.00
MYR	17-Jan-24	0.0200	3.03	0.6400	96.97
MYR	17-Apr-24	0.5000	100.00	0.0000	0.00

Performance Review

Table 1: Performance of the Fund

	1 Year (1/5/23 - 30/4/24)	3 Years (1/5/21 - 30/4/24)	Since Commencement (3/8/20 - 30/4/24)
Fund	5.77%	(3.52%)	4.81%
Benchmark	4.01%	12.50%	15.82%
Outperformance	1.76%	(16.02%)	(11.01%)

Table 2: Average Total Return

	1 Year (1/5/23 - 30/4/24)	3 Years (1/5/21 - 30/4/24)	Since Commencement (3/8/20 - 30/4/24)
Fund	5.77%	(1.19%)	1.26%
Benchmark	4.01%	4.00%	4.00%
Outperformance	1.76%	(5.19%)	(2.74%)

Table 3: Annual Total Return

	FYE 2024 (1/5/23 - 30/4/24)	FYE 2023 (1/5/22 - 30/4/23)	FYE 2022 (1/5/21 - 30/4/22)	FYE 2021 (3/8/20 - 30/4/21)
Fund	5.77%	(3.18%)	(5.78%)	8.63%
Benchmark	4.01%	4.00%	4.00%	2.95%
Outperformance	1.76%	(7.18%)	(9.78%)	5.68%

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

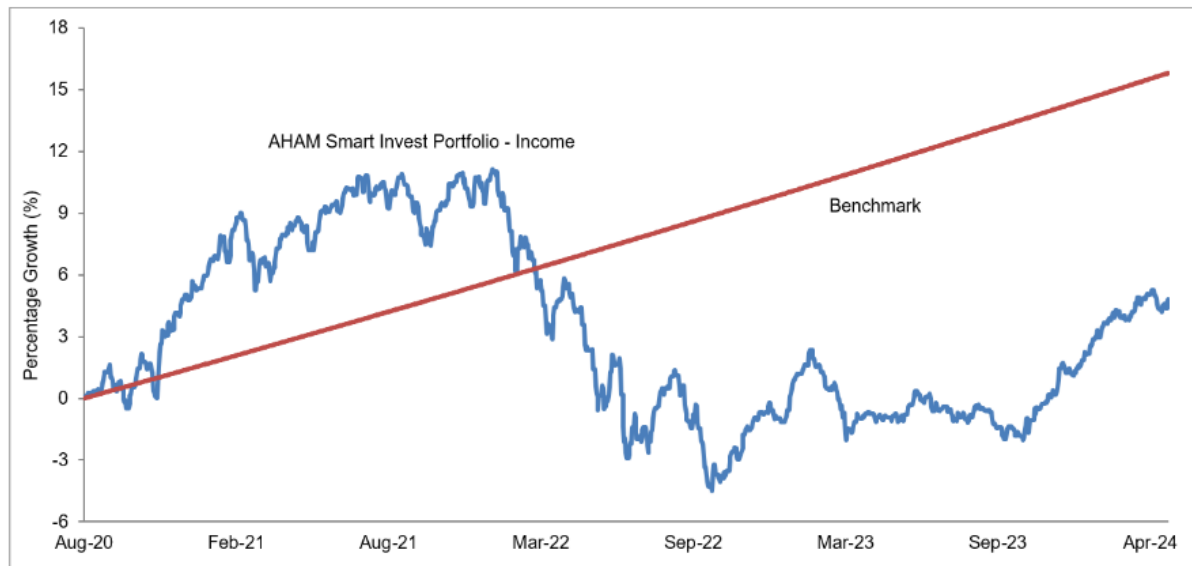
MANAGER'S REPORT

Performance Review (1 May 2023 to 30 April 2024)

For the period 1 May 2023 to 30 April 2024, the Fund registered a 5.77% return compared to the benchmark return of 4.01%. The Fund thus outperformed the Benchmark by 1.76%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2024 was MYR0.4739 while the NAV as at 30 April 2023 was MYR0.4680. During the same period under review, the Fund has declared a total gross income distribution of RM0.0204 per unit.

Since commencement, the Fund has registered a return of 4.81% compared to the benchmark return of 15.82%, underperforming by 11.01%.

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



"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."
 Benchmark: 4.0% per annum

Asset Allocation

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

As at 30 April 2024, the Fund's exposure stood at 2.11% in local REITs, 54.61% in local collective investment schemes, 33.22% in foreign collective investment schemes and 4.20% in foreign exchange traded funds.

Strategies Employed

Over the financial year under review, the Fund maintained its investment strategy of investing in a diversified portfolio to collective investment schemes that will provide regular income through exposure into global markets.

Market Review

In March 2023, global markets were buoyed by uncertain macroeconomic outlook in the face of higher interest rates and potential stagflation. To top things up, the regional banking crisis in United States ("U.S.") as well as the collapse of a renowned investment bank has further introduced volatility in markets. In first half of the financial year end ("FYE"), the Fund exited most of its global fixed income strategies which were heavy in Mortgage-Backed Securities ("MBS") on potential spillover of the regional banking crisis into commercial backed MBS.

With rising rates and increased cost of hedging, the Fund unwind all hedges and took on a tactical view and moved into a 50/50 balanced exposure between MYR and USD exposures. The proceeds from the global fixed income strategies were rotated into domestic MYR bonds on stable yields, and some exposure in global Investment Grade ("IG") strategies towards the later end of 1H 2023 as corporate yields begin to look attractive from an absolute perspective.

Market sentiment in the last two months of 2023 indicated a peak in the rate cycle, echoed by the final Federal Reserve meeting of the year. The Fund redeployed cash into global fixed income on easing headwinds surrounding MBS markets, as well as domestic equities to diversify overall portfolio exposure.

Investment Outlook

The manager's outlook for 2024 differed, cautioning against overly aggressive rate cut expectations. Strong corporate earnings and low unemployment figures suggested a potential upside surprise in inflation, limiting the Federal Reserve's scope for rate cuts, especially in an election year. The Fund begun lowering its foreign duration-focused fixed income strategies and reduced its emerging market local currency exposure as USD strength remains intact.

Given a rates volatility in early 2024, the manager strategically looks to position the Fund by using proceeds from duration focused funds into more credit-focused strategies, particularly in the global and Asian space. On top of that the manager looks to diversify its source of yields potentially into less correlated Islamic Sukuks and Japan equities from a total return perspective.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made to The Fund's Prospectus

No changes were made to the Fund's Prospectus over the financial year under review.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AHAM SMART INVEST PORTFOLIO – INCOME (“FUND”)

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

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
24 June 2024

AHAM SMART INVEST PORTFOLIO – INCOME

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

AHAM SMART INVEST PORTFOLIO – INCOME

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

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AHAM SMART INVEST PORTFOLIO – INCOME

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

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INVESTMENT INCOME/(LOSS)			
Dividend income		4,137,606	5,209,971
Interest income from financial assets at amortised cost		54,441	62,346
Net loss on foreign currency exchange		(1,094,511)	(732,580)
Net loss on forward foreign currency contracts at fair value through profit or loss	11	(2,045,865)	(5,770,784)
Net gain/(loss) on financial assets at fair value through profit or loss	9	5,568,554	(4,870,088)
		<u>6,620,225</u>	<u>(6,101,135)</u>
EXPENSES			
Management fee	4	(1,029,441)	(1,446,790)
Trustee fee	5	(72,870)	(107,629)
Fund accounting fee	6	(13,000)	(5,417)
Auditors' remuneration		(7,500)	(7,500)
Tax agent's fee		(3,500)	(3,500)
Transaction costs		(71,237)	(116,467)
Other expenses		(82,461)	(75,929)
		<u>(1,280,009)</u>	<u>(1,763,232)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		5,340,216	(7,864,367)
Taxation	8	-	(3,672)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>5,340,216</u>	<u>(7,868,039)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		3,723,862	(18,194,281)
Unrealised amount		1,616,354	10,326,242
		<u>5,340,216</u>	<u>(7,868,039)</u>

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

AHAM SMART INVEST PORTFOLIO – INCOME

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Cash and cash equivalents	10	5,235,258	4,697,710
Amount due from brokers		-	56,986
Amount due from Manager			
- management fee rebate receivable		19,251	24,274
Dividend receivables		-	261
Financial assets at fair value through profit or loss	9	82,803,821	150,515,234
TOTAL ASSETS		<u>88,058,330</u>	<u>155,294,465</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	11	-	1,212,166
Amount due to Manager			
- management fee		52,699	110,055
- cancellation of units		30,250	45,156
Amount due to Trustee		4,392	7,590
Fund accounting fee		1,083	1,083
Auditors' remuneration		7,500	7,500
Tax agent's fee		3,500	3,500
Tax payable		9,177	12,327
Other payable and accruals		-	556
TOTAL LIABILITIES		<u>108,601</u>	<u>1,399,933</u>
NET ASSET VALUE OF THE FUND		<u>87,949,729</u>	<u>153,894,532</u>
EQUITY			
Unitholders' capital		113,181,480	179,378,950
Accumulated losses		(25,231,751)	(25,484,418)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>87,949,729</u>	<u>153,894,532</u>
NUMBER OF UNITS IN CIRCULATION	12	<u>185,597,000</u>	<u>328,862,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4739</u>	<u>0.4680</u>

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 May 2023	179,378,950	(25,484,418)	153,894,532
Total comprehensive income for the financial year	-	5,340,216	5,340,216
Distributions (Note 7)	-	(5,087,549)	(5,087,549)
Movement in unitholders' capital:			
Creation of units arising from applications	1,551,451	-	1,551,451
Creation of units arising from distributions	4,258,466	-	4,258,466
Cancellation of units	(72,007,387)	-	(72,007,387)
Balance as at 30 April 2024	<u>113,181,480</u>	<u>(25,231,751)</u>	<u>87,949,729</u>
Balance as at 1 May 2022	236,025,102	(13,975,173)	222,049,929
Total comprehensive loss for the financial year	-	(7,868,039)	(7,868,039)
Distributions (Note 7)	-	(3,641,206)	(3,641,206)
Movement in unitholders' capital:			
Creation of units arising from applications	1,453,037	-	1,453,037
Creation of units arising from distributions	3,162,190	-	3,162,190
Cancellation of units	(61,261,379)	-	(61,261,379)
Balance as at 30 April 2023	<u>179,378,950</u>	<u>(25,484,418)</u>	<u>153,894,532</u>

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from the sale of investments		296,235,277	520,311,365
Purchase of investments		(219,865,941)	(461,166,165)
Dividends received		648,275	255,590
Interest received		54,441	62,346
Management fee rebate received		327,657	290,803
Management fee paid		(1,086,798)	(1,485,744)
Trustee fee paid		(76,068)	(111,215)
Fund accounting fee paid		(13,000)	(4,334)
Realised loss on forward foreign currency contracts		(3,258,031)	(8,890,113)
Net realised (loss)/gain on foreign currency exchange		(316,620)	10,303,139
Payment for other fees and expenses		(30,678)	(77,966)
Tax paid		(3,150)	-
		<hr/>	<hr/>
Net cash flows generated from operating activities		72,615,364	59,487,706
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		1,551,451	1,454,524
Payments from cancellation of units		(72,022,293)	(61,631,208)
Payment for distributions		(829,083)	(479,015)
		<hr/>	<hr/>
Net cash flows used in financing activities		(71,299,925)	(60,655,699)
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,315,439	(1,167,993)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(777,891)	(1,096,742)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		4,697,710	6,962,445
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10	5,235,258	4,697,710
		<hr/> <hr/>	<hr/> <hr/>

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

B INCOME RECOGNITION

Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

Interest income

Interest income from short-term deposit with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

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

Realised gains and loss on sale of investments

For quoted equities, collective investment schemes (“CIS”) and exchange-traded funds (“ETF”), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors and brokers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

AHAM SMART INVEST PORTFOLIO – INCOME

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

D TAXATION

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

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

Withholding taxes on investment income from investment which are not “income tax” in nature are recognized and measured based on the requirements of MFRS 137. They are presented within the other expenses line in the statement of comprehensive income.

E DISTRIBUTIONS

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

At the Manager's discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.

F 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.

G FOREIGN CURRENCY TRANSLATION

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

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

Investment in CIS and ETF have contractual cash flows that do not represent SPPI, and therefore are classified as financial assets measured at fair value through profit or loss.

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

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

(ii) Recognition and measurement

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

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.

AHAM SMART INVEST PORTFOLIO – INCOME

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Investment in CIS are valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

Financial assets at amortised cost and other financial liabilities, except for 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 recognized 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 SMART INVEST PORTFOLIO – INCOME

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

H 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.

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

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

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

Write-off

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

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

I 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.

J AMOUNT DUE FROM/(TO) BROKERS

Amounts due from and to brokers 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 brokers balance is held for collection. Refer to Note H for accounting policy on recognition and measurement.

AHAM SMART INVEST PORTFOLIO – INCOME

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

J AMOUNT DUE FROM/(TO) BROKERS (CONTINUED)

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

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

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 investments that have a positive fair value and negative fair value are presented as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts is determined using forward exchange rates at 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 UNITHOLDERS' CAPITAL

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

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

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

L UNITHOLDERS' CAPITAL (CONTINUED)

Units are created and cancelled at the unitholders' 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 unitholders with the total number of outstanding units.

M 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 Securities Commission's ("SC") Guidelines on Unit Trust Fund.

N REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

AHAM SMART INVEST PORTFOLIO – INCOME

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

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Smart Invest Portfolio - Income (the “Fund”) pursuant to the execution of a Deed dated 28 November 2019, as modified by First Supplemental Deed dated 24 August 2022 (the “Deeds”) entered in between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Smart Invest Portfolio – Income to AHAM Asset Management Berhad as amended by the First Supplemental Deed dated 24 August 2022.

The Fund commenced operations on 13 July 2020 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

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

- (a) Units/shares in collective investment schemes;
- (b) Money market instruments;
- (c) Fixed deposits;
- (d) Derivatives; and
- (e) Any other form of investments as may be permitted by the SC from time to time which is in line with the objective of the Fund.

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The main objective of the Fund is to provide investors with regular income over medium and long term period by investing in a portfolio of collective investment schemes.

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

The financial statements were authorised for issue by the Manager on XX June 2024.

AHAM SMART INVEST PORTFOLIO – INCOME

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (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>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	5,235,258	-	5,235,258
Amount due from Manager				
- management fee rebate receivable		19,251	-	19,251
Quoted equities	9	-	1,858,542	1,858,542
Collective investment schemes	9	-	77,247,065	77,247,065
Exchange traded funds	9	-	3,698,214	3,698,214
Total		<u>5,254,509</u>	<u>82,803,821</u>	<u>88,058,330</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		52,699	-	52,699
- cancellation of units		30,250	-	30,250
Amount due to Trustee		4,392	-	4,392
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		3,500	-	3,500
Total		<u>99,424</u>	<u>-</u>	<u>99,424</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	4,697,710	-	4,697,710
Amount due from brokers		56,986	-	56,986
Amount due from Manager				
- management fee rebate receivable		24,274	-	24,274
Dividend receivable		261	-	261
Quoted equities	9	-	8,260,183	8,260,183
Collective investment schemes	9	-	130,636,783	130,636,783
Exchange traded funds	9	-	11,618,268	11,618,268
Total		<u>4,779,231</u>	<u>150,515,234</u>	<u>155,294,465</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	1,212,166	1,212,166
Amount due to Manager				
- management fee		110,055	-	110,055
- cancellation of units		45,156	-	45,156
Amount due to Trustee		7,590	-	7,590
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		3,500	-	3,500
Other payables and accruals		556	-	556
Total		<u>175,440</u>	<u>1,212,166</u>	<u>1,387,606</u>

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

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

Market risk (continued)

(a) Price risk

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

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

	<u>2024</u> RM	<u>2023</u> RM
Quoted investments		
Quoted equities	1,858,542	8,260,183
Collective investment schemes	77,247,065	130,636,783
Exchanged-traded fund	3,698,214	11,618,268
	<u>82,803,821</u>	<u>150,515,234</u>

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 10% (2023: 15%) and decreased by 10% (2023: 15%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted investments 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>2024</u>		
-10%	74,523,439	(8,280,382)
0%	82,803,821	-
+10%	91,084,203	8,280,382
	<u>82,803,821</u>	<u>8,280,382</u>
<u>2023</u>		
-15%	127,937,949	(22,577,285)
0%	150,515,234	-
+15%	173,092,519	22,577,285
	<u>150,515,234</u>	<u>22,577,285</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

Market risk (continued)

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to a short-term deposit placement with licensed financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

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

(c) Currency risk

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

	<u>Collective investment schemes</u> RM	<u>Exchanged- traded funds</u> RM	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2024</u>				
<u>Financial assets</u>				
British Pound Sterling	-	-	1,076	1,076
Euro	-	-	109,909	109,909
Singapore Dollar	-	-	11,273	11,273
United States Dollar	29,215,421	3,698,214	2,226,994	35,140,629
	<u>29,215,421</u>	<u>3,698,214</u>	<u>2,349,252</u>	<u>35,262,887</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Collective investment schemes RM	Exchanged- traded funds RM	Cash and cash equivalents RM	Amount due from brokers RM	Total RM
<u>2023</u>					
<u>Financial assets</u>					
Euro	-	-	1,059,117	-	1,059,117
Singapore Dollar	-	-	10,856	-	10,856
United States Dollar	59,874,603	11,618,268	3,570,368	56,986	75,120,225
	<u>59,874,603</u>	<u>11,618,268</u>	<u>4,640,341</u>	<u>56,986</u>	<u>76,190,198</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>2023</u> (continued)		
<u>Financial liabilities</u>		
United States Dollar	(1,212,166)	(1,212,166)
	<u>(1,212,166)</u>	<u>(1,212,166)</u>

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

	<u>Change in rate</u> %	<u>Impact on profit/(loss) after tax/NAV</u> RM
<u>2024</u>		
British Pound Sterling	+/- 5.77	+/- 62
Euro	+/- 5.35	+/- 5,880
Singapore Dollar	+/- 3.49	+/- 393
United States Dollar	+/- 5.51	<u>+/- 1,936,249</u>
<u>2023</u>		
Euro	+/- 8.28	+/- 87,695
Singapore Dollar	+/- 4.45	+/- 483
United States Dollar	+/- 5.66	<u>+/- 4,183,196</u>

AHAM SMART INVEST PORTFOLIO – INCOME

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (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 cancellations of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2024</u>			
Amount due to Manager			
- management fee	52,699	-	52,699
- cancellation of units	30,250	-	30,250
Amount due to Trustee	4,392	-	4,392
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	3,500	3,500
	<u>88,424</u>	<u>11,000</u>	<u>99,424</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	927,267	284,899	1,212,166
Amount due to Manager			
- cancellation of units	45,156	-	45,156
- management fee	110,055	-	110,055
Amount due to Trustee	7,590	-	7,590
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	556	556
	<u>1,091,151</u>	<u>296,455</u>	<u>1,387,606</u>

Credit risk

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

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

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

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

Credit risk (continued)

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

	<u>Cash and cash equivalents</u>	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2024</u>			
Financial Services			
- AAA	5,235,258	-	5,235,258
Others			
- Non-rated ("NR")	-	19,251	19,251
	<u>5,235,258</u>	<u>19,251</u>	<u>5,254,509</u>
<u>2023</u>			
Financial Services			
- AAA	4,697,710	-	4,697,710
Others			
- NR	-	81,521	81,521
	<u>4,697,710</u>	<u>81,521</u>	<u>4,779,231</u>

* Other assets consist of dividend receivables, amount due from brokers and amount due from Manager.

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital net of accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders.

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2024</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	1,858,542	-	-	1,858,542
- collective investment schemes	77,247,065	-	-	77,247,065
- exchange traded funds	3,698,214	-	-	3,698,214
	<u>82,803,821</u>	<u>-</u>	<u>-</u>	<u>82,803,821</u>
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	8,260,183	-	-	8,260,183
- collective investment schemes	130,636,783	-	-	130,636,783
- exchange traded funds	11,618,268	-	-	11,618,268
	<u>150,515,234</u>	<u>-</u>	<u>-</u>	<u>150,515,234</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	1,212,166	-	1,212,166

Investments whose values are based on quoted and published market prices in active markets, and are therefore classified within Level 1, include quoted equities, collective investment schemes and exchange-traded funds. The Fund does not adjust the quoted and published prices for these instruments.

AHAM SMART INVEST PORTFOLIO – INCOME

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

(ii) The carrying values of cash and cash equivalents, dividend receivables, amount due from brokers and 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.

4 MANAGEMENT FEE

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

For the financial year ended 30 April 2024, the management fee is recognised at the following stated rate per annum:

Financial period from 1 May 2023 to 30 June 2023	= 0.87%
Financial period from 1 July 2023 to 30 September 2023	= 0.82%
Financial period from 1 October 2023 to 31 December 2023	= 0.93%
Financial period from 1 January 2024 to 31 March 2024	= 0.83%
Financial period from 1 April 2024 to 30 April 2024	= 0.72%

For the financial period from 1 May 2022 to 31 October 2022, the management fee is recognised at the rate of 0.8%, which subsequently revised to 0.9% for the financial period from 1 November 2022 to 31 December 2022, 0.75% for the financial period from 1 January 2023 to 31 March 2023 and 0.87% for the financial period from 1 April 2023 to 30 April 2023, per annum on the NAV of the Fund, calculated on a daily basis.

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

5 TRUSTEE FEE

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

For the financial year ended 30 April 2024, the Trustee's fee is recognised at a rate of 0.06% (2023: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

There will be no further liability to the 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 RM13,000 (2023: RM5,417) during the financial year.

AHAM SMART INVEST PORTFOLIO – INCOME

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

7 DISTRIBUTIONS

	<u>2024</u> RM	<u>2023</u> RM
Distributions to unitholders are from the following sources:		
Dividend income	3,095,091	4,369,447
Unrealised gain on changes in fair value	1,333,459	-
Previous year's realised income	955,524	-
	<hr/>	<hr/>
Gross income	5,384,074	4,369,447
Less: Expenses	(296,525)	(728,241)
	<hr/>	<hr/>
Net distribution amount	<u>5,087,549</u>	<u>3,641,206</u>

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

<u>2024</u>	<u>Gross/Net distribution per unit</u> (sen)
20.07.2023	0.58
18.10.2023	0.30
17.01.2024	0.66
17.04.2024	0.50
	<hr/>
	<u>2.04</u>

<u>Ex-date</u>	<u>Income distribution</u> RM	<u>Income distribution</u> %	<u>Capital distribution</u> RM	<u>Capital distribution</u> %
20.07.2023	1,847,346	100.00	-	-
18.10.2023	928,053	100.00	-	-
17.01.2024	41,671	3.03	1,333,459	96.97
17.04.2024	937,020	100.00	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

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

<u>2023</u>	<u>Gross/Net distribution per unit</u> (sen)
18.01.2023	0.62
19.04.2023	0.48
	<hr/>
	<u>1.10</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

7 DISTRIBUTIONS (CONTINUED)

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

<u>Ex-date</u>	<u>Income distribution</u> RM	<u>Income distribution</u> %	<u>Capital distribution</u> RM	<u>Capital distribution</u> %
18.01.2023	2,075,921	100.00	-	-
19.04.2023	1,565,285	100.00	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

Included in distribution for the financial year is an amount of RM955,524 (2023: RM Nil), made from previous years' realised income.

8 TAXATION

	<u>2024</u> RM	<u>2023</u> RM
Current taxation	-	3,672
	<u> </u>	<u> </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:

	<u>2024</u> RM	<u>2023</u> RM
Net profit/(loss) before taxation	5,340,216	(7,864,367)
Tax at Malaysian statutory rate of 24% (2023: 24%)	1,281,652	(1,887,448)
Tax effects of:		
(Investment income not subject to tax)/		
Investment loss not brought to tax	(1,511,422)	1,532,664
Expenses not deductible for tax purposes	58,216	74,026
Restriction on tax deduction expenses for Unit Trust Fund	171,554	280,758
Foreign income subject to different tax rate	-	3,672
Tax expense	-	3,672
	<u> </u>	<u> </u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2024</u> RM	<u>2023</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities – local	1,858,542	8,260,183
- collective investment schemes – local	48,031,644	70,762,180
- collective investment schemes – foreign	29,215,421	59,874,603
- exchange traded funds - foreign	3,698,214	11,618,268
	<u>82,803,821</u>	<u>150,515,234</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investment	2,851,675	(13,458,708)
- unrealised gain on changes in fair value	2,394,245	8,303,655
- management fee rebate on collective investment schemes #	322,634	284,965
	<u>5,568,554</u>	<u>(4,870,088)</u>

In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in collective investment schemes have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes.

(a) Quoted equities - local

(i) Quoted equities - local as at 30 April 2024 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Real Estate Investment Trust</u> <u>("REITs")</u>				
AME Real Estate Investment Trust	1,356,600	1,598,678	1,858,542	2.11
Total quoted equities - local	<u>1,356,600</u>	<u>1,598,678</u>	<u>1,858,542</u>	<u>2.11</u>
Accumulated unrealised gain on quoted equities - local		259,864		
Total quoted equities – local		<u>1,858,542</u>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

(a) Quoted equities – local (continued)

(ii) Quoted equities - local as at 30 April 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>REITs</u>				
AME Real Estate Investment Trust	1,425,700	1,675,218	1,696,583	1.10
Axis Real Estate Investment Trust	1,200,000	2,100,000	2,268,000	1.47
KIP REIT	2,192,700	1,980,693	2,006,320	1.30
Sunway Real Estate Investment Trust	1,430,800	2,073,338	2,289,280	1.49
Total quoted equities - local	<u>6,249,200</u>	<u>7,829,249</u>	<u>8,260,183</u>	<u>5.36</u>
Accumulated unrealised gain on quoted equities - local		<u>430,934</u>		
Total quoted equities – local		<u>8,260,183</u>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

(b) Collective investment schemes - local

(i) Collective investment schemes - local as at 30 April 2024 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
AHAM Aiiman ESG Income Plus Fund (formerly known as AHAM Aiiman Income Plus Fund)	15,831,706	9,203,096	9,214,053	10.48
AHAM Aiiman Global Thematic Mixed Asset Fund – MYR Hedged (“MYRH”)	12,512,731	7,000,000	7,002,124	7.96
AHAM Aiiman Money Market Fund	7,647,664	4,357,641	4,363,757	4.96
AHAM Bond Fund	22,949,344	13,600,424	13,586,012	15.45
AHAM Select Opportunity Fund	11,405,526	12,957,168	13,865,698	15.76
Total collective investment schemes - local	<u>70,346,971</u>	<u>47,118,329</u>	<u>48,031,644</u>	<u>54.61</u>
Accumulated unrealised gain on collective investment schemes - local		<u>913,315</u>		
Total collective investment schemes – local		<u>48,031,644</u>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

(b) Collective investment schemes – local (continued)

(ii) Collective investment schemes - local as at 30 April 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Affin Hwang Income Extra Fund	30,007,192	31,039,407	31,081,449	20.20
AHAM Aiiiman Money Market Fund	1,376,690	749,536	765,027	0.50
AHAM Bond Fund	18,240,709	10,700,000	10,771,139	7.00
AHAM Select Bond Fund	13,239,779	8,951,845	7,941,220	5.16
AHAM Select Income Fund	24,321,075	16,299,753	16,100,551	10.46
Aiiiman Income Extra Fund	3,921,615	4,100,460	4,102,794	2.67
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - local	91,107,060	71,841,001	70,762,180	45.99
	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised loss on collective investment schemes - local		(1,078,821)		
		<hr/>		
Total collective investment schemes – local		70,762,180		
		<hr/> <hr/>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

(c) Collective investment schemes – foreign

(i) Collective investment schemes – foreign as at 30 April 2024 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
HSBC Global Liquidity Plc - HSBC US Dollar Liquidity Fund (Class F)	25	113	119	-
Lazard Global Active Funds PLC - Lazard Japanese Strategic Equity Fund (A Acc USD Class)	2,073	1,432,950	1,407,132	1.60
PIMCO Funds : Global Investors Series plc ("GIS") - Emerging Local Bond (Institutional USD Income)	145,416	4,495,983	4,446,182	5.05
PIMCO Funds - GIS - Income Fund (Institutional Class Accumulation)	110,919	8,835,302	9,073,766	10.32
Fidelity Funds - US Dollar Bond Fund (Class A-Acc-USD)	68,116	5,394,488	5,370,854	6.11
Fidelity Funds - US Dollar Bond Fund	238	10,806	11,047	0.01
UBS (Lux) Equity SICAV - US Total Yield Sustainable (Class P-midst USD)	13,317	8,465,603	8,906,321	10.13
Total collective investment schemes - foreign	<u>340,104</u>	<u>28,635,245</u>	<u>29,215,421</u>	<u>33.22</u>
Accumulated unrealised gain on collective investment schemes - foreign		<u>580,176</u>		
Total collective investment schemes - foreign		<u>29,215,421</u>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

(c) Collective investment schemes – foreign (continued)

(ii) Collective investment schemes – foreign as at 30 April 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Allianz Income and Growth Income and Growth - PT - USD	1,254	7,947,000	8,229,252	5.35
HSBC Global Liquidity Plc - HSBC US Dollar Liquidity Fund (Class F)	6,300,014	27,868,963	28,098,064	18.26
UBS (Lux) Equity SICAV - US Total Yield Sustainable (Class P-midst USD)	28,869	15,842,529	15,840,949	10.29
UBS Lux Key Selection SICAV - China Allocation Opportunity (Class P-6%-mdist USD)	31,094	8,174,997	7,706,338	5.01
Total collective investment schemes - foreign	<u>6,361,231</u>	<u>59,833,489</u>	<u>59,874,603</u>	<u>38.91</u>
Accumulated unrealised gain on collective investment schemes - foreign		<u>41,114</u>		
Total collective investment schemes - foreign		<u>59,874,603</u>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

(d) Exchange traded funds – foreign

(i) Exchange traded fund – foreign as at 30 April 2024 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
IShares iBonds Dec 2025 Term \$ Corp UCITS ETF	7,475	3,544,501	3,698,214	4.20
Total exchange traded fund - foreign	<u>7,475</u>	<u>3,544,501</u>	<u>3,698,214</u>	<u>4.20</u>
Accumulated unrealised gain on exchange traded fund - foreign		<u>153,713</u>		
Total exchange traded fund - foreign		<u>3,698,214</u>		

(ii) Exchange traded funds – foreign as at 30 April 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Vanguard US Treasury 0-1 Year Bond UCITS ETF	47,033	10,624,953	10,745,848	6.98
IShares USD Treasury Bond 20+yr UCITS ETF	39,220	873,719	872,420	0.57
Total exchange traded fund - foreign	<u>86,253</u>	<u>11,498,672</u>	<u>11,618,268</u>	<u>7.55</u>
Accumulated unrealised gain on exchange traded fund - foreign		<u>119,596</u>		
Total exchange traded fund - foreign		<u>11,618,268</u>		

AHAM SMART INVEST PORTFOLIO – INCOME

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

10 CASH AND CASH EQUIVALENTS

	<u>2024</u> RM	<u>2023</u> RM
Cash and bank balances	2,402,789	4,697,710
Deposit with a licensed financial institution	2,832,469	-
	<u>5,235,258</u>	<u>4,697,710</u>

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

	<u>2024</u>	<u>2023</u> %
Deposit with a licensed financial institution	<u>3.00</u>	<u>-</u>

Deposit with a licensed financial institution of the Fund has an average remaining maturity period of 2 days (2023: Nil days).

11 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there is Nil (2023: 5) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM Nil (2023: RM65,866,550). The forward currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Fund's investment in the collective investment schemes, and exchange traded funds denominated in British Pound Sterling, Euro and United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2024</u> RM	<u>2023</u> RM
Financial liabilities at fair value through profit or loss: - forward foreign currency contracts	<u>-</u>	<u>1,212,166</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

11 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

	<u>2024</u> RM	<u>2023</u> RM
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(2,045,865)	(8,890,113)
- unrealised gain on changes in fair value	-	3,119,329
	<u>(2,045,865)</u>	<u>(5,770,784)</u>

(a) Forward foreign currency contracts

(i) There are no forward foreign currency contracts as at 30 April 2024.

(ii) Forward foreign currency contracts as at 30 April 2023 is as follows:

	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
CIMB Bank Berhad	21,915,000	22,143,400	(228,400)	(0.15)
Citibank Berhad	33,754,040	34,730,354	(976,314)	(0.63)
Standard Chartered Bank Malaysia Bhd	10,197,510	10,204,962	(7,452)	(0.01)
Total forward foreign currency contracts	<u>65,866,550</u>	<u>67,078,716</u>	<u>(1,212,166)</u>	<u>(0.79)</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

12 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	328,862,000	448,951,000
Creation of units arising from applications	3,322,000	3,031,983
Creation of units arising from distribution	9,166,019	6,635,487
Cancellation of units	(155,753,019)	(129,756,470)
At the end of the financial year	<u>185,597,000</u>	<u>328,862,000</u>

13 TRANSACTIONS WITH BROKERS

(i) Details of transaction with the brokers for the financial year ended 30 April 2024 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u>	<u>Percentage</u>	<u>Brokerage</u>	<u>Percentage</u>
	RM	of total	fees	of total
		trade	RM	brokerage
		%		fees
				%
AHAM Asset Management Berhad#	234,871,604	45.52	-	-
MFEX Mutual Funds Exchange AB	196,674,574	38.12	-	-
CLSA Ltd	49,901,992	9.67	-	-
Flow Traders	10,530,815	2.04	-	-
CLSA Securities (Malaysia)				
Sdn Bhd	6,856,488	1.33	17,141	28.57
CGS-CIMB Futures Sdn Bhd	4,026,000	0.78	10,065	16.77
Maybank Investment Bank Bhd	3,197,288	0.62	7,993	13.32
UOB Kay Hian Securities (M)				
Sdn Bhd	3,073,176	0.60	7,683	12.80
JP Morgan Securities (Malaysia)				
Sdn Bhd	1,805,482	0.35	4,514	7.52
Hong Leong Investment Bank	1,769,762	0.34	4,424	7.37
Others	3,274,966	0.63	8,188	13.65
	<u>515,982,147</u>	<u>100.00</u>	<u>60,008</u>	<u>100.00</u>

AHAM SMART INVEST PORTFOLIO – INCOME

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

13 TRANSACTIONS WITH BROKERS (CONTINUED)

(ii) Details of transaction with the brokers for the financial year ended 30 April 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
MFEX Mutual Funds Exchange AB	624,301,061	56.83	-	-
AHAM Asset Management Berhad#	293,966,448	26.76	701	0.63
Public Bank Bhd	104,640,000	9.53	-	-
Cantor Fitzgerald (HK) Capital Markets Limited	41,263,828	3.76	82,528	74.66
CLSA Ltd	11,726,437	1.07	5,863	5.30
Alliance Bernstein (Singapore) Ltd	7,832,591	0.71	2,350	2.13
Corporate Action Related Matters	4,945,447	0.45	-	-
CGS-CIMB Futures Sdn Bhd	2,100,000	0.19	5,250	4.75
Macquarie Capital Securities Ltd	985,343	0.09	219	0.20
Macquarie Capital Securities (Malaysia) Sdn Bhd	966,306	0.09	2,416	2.19
Others	5,766,267	0.52	11,206	10.14
	<u>1,098,493,728</u>	<u>100.00</u>	<u>110,533</u>	<u>100.00</u>

Included in transactions with brokers are trades with AHAM Asset Management Berhad, the Manager amounting to RM234,871,604 (2023: RM293,966,448). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

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

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

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

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

	<u>2024</u>		<u>2023</u>	
<u>The Manager:</u>	No. of units	RM	No. of units	RM
AHAM Asset Management Berhad (The units are held legally for booking purposes)	3,171	1,503	2,560	1,198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

15 TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u>	<u>2023</u>
	%	%
TER	0.94	0.89
	<u> </u>	<u> </u>

TER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors’ remuneration
E	=	Tax agent’s fee
F	=	Other expenses, excluding withholding tax, and sales and service tax on transaction costs
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM 121,442,062 (2023: RM179,378,330).

AHAM SMART INVEST PORTFOLIO – INCOME

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

16 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	2.13	2.81

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM223,266,759 (2023: RM465,902,480)
total disposal for the financial year = RM293,372,417 (2023: RM540,999,956)

AHAM SMART INVEST PORTFOLIO – INCOME

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

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
XX June 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – INCOME

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Smart Invest Portfolio – Income (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 2024, and of its financial performance and its cash flows for the financial year ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 1 to 43.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors’ report thereon

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – INCOME
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – INCOME
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – INCOME
(CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
XX June 2024

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