



ANNUAL REPORT
31 January 2024

AHAM Flexible Maturity Income Fund 21

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

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

Built On Trust

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AHAM FLEXIBLE MATURITY INCOME FUND 21

Annual Report and Audited Financial Statements For The Financial Year Ended 31 January 2024

Contents	Page
FUND INFORMATION	III
FUND PERFORMANCE DATA.....	IV
MANAGER'S REPORT	V
TRUSTEE'S REPORT	X
FINANCIAL STATEMENTS	
DIRECTORY OF SALES OFFICE	

FUND INFORMATION

Fund Name	AHAM Flexible Maturity Income Fund 21
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide income through investments in fixed income instruments
Benchmark	5-years Malayan Banking Berhad fixed deposit rate as at Investment Date
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis

FUND PERFORMANCE DATA

Category	As at 31 Jan 2024 (%)	As at 31 Jan 2023 (%)
Portfolio composition		
Unquoted fixed income securities – local	49.48	42.55
Unquoted fixed income securities – foreign	49.00	54.49
Total unquoted fixed income securities	98.48	97.04
Cash & cash equivalent	1.52	2.96
Total	100.00	100.00
Total NAV (million)	166.507	170.512
NAV per Unit	0.9427	0.9504
Unit in Circulation (million)	176.624	179.410
Highest NAV	0.9652	1.0000
Lowest NAV	0.9254	0.8803
Return of the Fund (%)	3.12	-2.27
- Capital Growth (%)	-0.81	-4.96
- Income Distribution (%)	3.96	2.83
Gross Distribution per Unit (sen)	4.23	2.60
Net Distribution per Unit (sen)	3.68	2.60
Total Expense Ratio ¹ (%)	0.27	0.32
Portfolio Turnover Ratio ² (times)	0.23	0.63

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

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

An illustration of the above would be as follow:-

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

¹ The TER of the period was lower than previous financial period due to lower expenses incurred over the financial year.

² The PTR of the period was lower than previous financial period due to lower trading activity over the financial year.

Income Distribution / Unit Split

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
12-Dec-23	13-Dec-23	0.9652	0.0368	0.9289
12-Dec-22	13-Dec-22	0.9438	0.0260	0.9181

No unit split were declared for the financial year ended 31 January 2024.

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	13-Dec-23	3.6800	100	-	-
	13-Dec-22	2.6000	100	-	-

Fund Performance

Table 1: Performance of the Fund

	1 Year (1/2/23 - 31/1/24)	Since Commencement (13/12/21 - 31/1/24)
Fund	3.12%	0.78%
Benchmark	2.10%	4.54%
Outperformance	1.02%	(3.76%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/2/23 - 31/1/24)	Since Commencement (13/12/21 - 31/1/24)
Fund	3.12%	0.36%
Benchmark	2.10%	2.10%
Outperformance	1.02%	(1.74%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/2/23 - 31/1/24)	FYE 2023 (13/12/21 - 31/1/23)
Fund	3.12%	(2.27%)
Benchmark	2.10%	2.39%
Outperformance	1.02%	(4.66%)

Source of Benchmark: Bloomberg

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

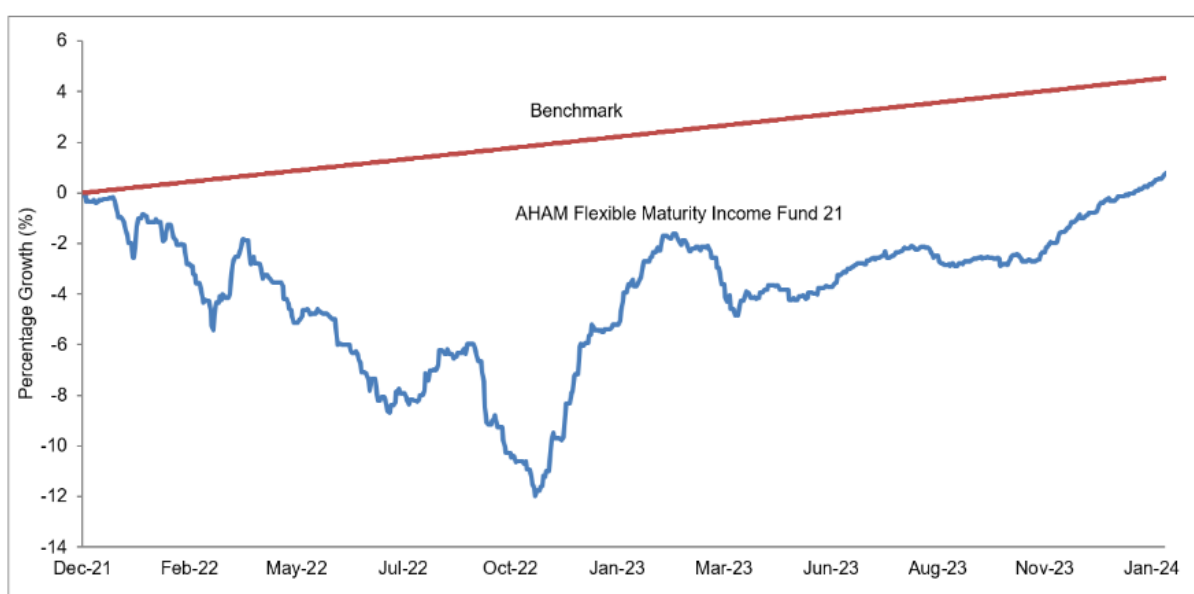
MANAGER'S REPORT

Performance Review (1 February 2023 to 31 January 2024)

For the period 1 February 2023 to 31 January 2024, the Fund registered a return of 3.12% return compared to the benchmark return of 2.10%. The Fund thus outperformed the Benchmark by 1.02%. The Net Asset Value per unit ("NAV") of the Fund as at 31 January 2024 was RM0.9427 while the NAV as at 31 January 2023 was RM0.9504. During the period under review, the Fund has declared an income distribution of RM0.0368 per unit.

Since commencement, the Fund has registered a return of 0.78% compared to the benchmark return of 4.54%, underperforming by 3.76%.

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



*"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
Benchmark: 5-year Malayan Banking Berhad fixed deposit rate as at Investment Date*

Asset Allocation

As at 31 January 2024, the asset allocation of the Fund stood at 98.48% of the Fund's NAV in fixed income securities while the remaining was held in cash and cash equivalent.

Strategies Employed

The Manager have 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. 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 of many issuers to prioritize onshore bonds over offshore bonds signalled prolonged and uncertain timelines for the restructuring of defaulted bonds, with anticipated low recovery values, if any.

At the inception of the Fund, it had approximately 6% exposure to China property bonds. The Manager took proactive measures starting from 2022, actively reducing holdings in the China property sector. By 2023, a

strategic decision was made to exit entirely from China property bonds. Crucially, strategic divestments were made, including the complete exit from core holdings such as Country Garden and CIFI Holdings in the first half of 2023. These decisions were made during a period of relatively favourable market sentiment and was completed by July 2023.

Presently, the remaining position, that is in Times Property, is part of a planned exit strategy. The current exposures now stand minimally at less than 0.08% of NAV.

Secondly, the Manager has further overweight Investment Grade (“IG”) bonds for the Fund. By favouring IG assets over High Yield (“HY”) instruments, it aligns the portfolio with a more conservative risk profile. The High Yield exposures currently stand below 10% of the Fund’s Net Asset Value (“NAV”). The Manager have also prudently reduced the portfolio duration of the Fund to mitigate the impact of rising rates on the Fund's performance. The Fund's duration closely matched the Funds’ maturities.

Furthermore, exposure to domestic Ringgit bonds have also been increased. This shift reflects a preference for more defensive assets as the Ringgit bond market is less volatile (also less rate hikes by BNM). Besides diversifying bond holdings and focusing on stability, this also mitigates some of the impact of the foreign sourced income tax imposed on the Fund.

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 bond 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 heightened volatility and unprecedented rate hikes, the Manager has taken a more active style of investing, including progressively rebalancing the portfolios and focus on trading in new and existing issuances to improve the return potential.

Market Review

The past three years 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 US Federal Reserve, for instance, raised interest rates by over 500 basis points (“bps”) from March 2022. Moreover, central banks started Quantitative Tightening, reining in their balance sheets. These measures triggered market adjustments, causing bond prices to decline, and resulting in mark-to-market losses on portfolio holdings. Since January 2020, US Treasuries witnessed a negative return of -4%, while global Investment Grade bonds experienced a return of -9%.* On a positive note, the Federal Reserve has kept interest rates unchanged over the past 2 meetings in September and November. Some notable key economic developments contributing to this was the gradual softening in the US labour market coupled with lower inflationary data.

In the Asian credit landscape, the default crisis among China's property developers proved especially impactful. Majority 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 High Yield sector but also among Investment Grade names in the same industry. Since January 2020, USD Asian High Yield bonds recorded a return of -17%*. Over the reporting period, overall home sales data in China had remained soft as policy easing measures in the China property space were insufficient to lift home-buyer sentiment.

Additionally, other challenges surfaced, such as the write-off of Credit Suisse Additional Tier 1 (“AT1”) securities by the Swiss regulator, FINMA, in March 2023. While the Fund did not have CS AT1 securities, there were spillover impact on the mark to market pricing of other AT1 securities in the market. Since then, we have seen a sizable recovery in bond prices during the period under review.

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 benign inflation at around 2.5%. This has translated to relatively resilient local bond market yields over the period under review.

Lastly, on 16 January 2024, newly appointed Finance Minister II, Datuk Seri Amir Hamzah Azizan announced that there will be no capital gains tax (“CGT”) and taxes on foreign sourced income (“FSI”) on unit trusts with effect from 01 January 2024 until 31 December 2028 and 31 December 2026 respectively. The decision to reverse foreign sourced income tax on coupon and interest received should relatively improve the fund performance.

These events highlight the extreme volatility and complexity of the global financial landscape during this period. Despite these challenges, we continue to adapt our strategies to navigate this environment to secure the best possible outcomes for our investors. Kindly refer to the Strategies Employed section on measures that have been taken to manoeuvre the portfolio holdings during this period.

* Source: Bloomberg (As of January 31, 2024)

Investment Outlook

The current global economic landscape presents both challenges and opportunities. Despite the turbulence in the bond market and the unexpected sluggishness in China's recovery, several potential positive catalysts are in sight over the few quarters.

Firstly, the Federal Reserve is nearing the peak of its current rate hike cycle: As inflation trends move in a favourable direction and signs of a cooling labour market emerge, there is potential for stabilization in interest rates. There have been more central banks "pausing" in recent months notably Federal Reserve has paused since September. This stability could provide a more predictable environment for bond investments in the medium term. In addition, there is anticipation that central banks, including the Fed, might reduce interest rates if economic growth decelerates materially in 2024, thus supporting bond valuations. This could be driven by geopolitical events or a sharp deterioration in economic and labour market conditions.

Secondly, valuations of bonds have turned more attractive. After the sharp rise of interest rates in the last 2-3 years, bonds are offering an attractive yield carry and may benefit from rate cuts in 2024-2025. The Fed Fund Rate today is at 5.5%. The Manager expects the short to medium part of yield curve to be more defensive against any potential yield curve steepening.

Finally, China's government is expected to unveil additional stimulus policies in the coming quarters to reignite economic growth. While the property sector remains a concern, improved growth prospects in China could enhance investor sentiment in the Asian region.

On the flipside, it is worth cautioning on some possible scenarios that may have adverse implications on bond investments. For example, one of the risks is reacceleration of inflation in 2024. This could be anchored by consumer spending if the labour market remains tight. There is also potential for sharp rise in commodity prices due to supply shortages. Besides that, there have been continued speculation that Japan could 'exit' from its yield curve control policies. Such event could translate to pressure on bond yields globally. On the geopolitical front, there are various conflicts that are unfolding and may have mixed implications for bonds. All these warrants closer monitoring and may require nimble adjustments to bond positioning.

The Manager would like to emphasize that the final performance upon the Funds' maturity remain subject to various factors including market conditions. With the remaining tenure of the Fund, the Manager would continue to diligently monitor market dynamics, identify prudent investment opportunities, and employ risk management strategies with the aim of securing the best possible outcome for investors of the Fund.

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

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

Cross trade transactions have been carried out during the reported year and the Investment Committee of the Fund has reviewed that such transactions are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a fair value basis.

Securities Financing Transactions

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

Changes Made To the Fund's Information Memorandum

Various amendments were made to the Fund's Information Memorandum dated 17 October 2019. A communique dated 13 October 2023 with details of the amendments were issued to the investors with an effective date of 27 October 2023 ("Effective Date").

In general, the amendments made to the Information Memorandum dated 22 November 2021 are to reflect the following, but is not limited to:

1. Change in the shareholding of AHAM which took effect on 29 July 2022, whereby AHAM Asset Management Berhad ("AHAM") ceased to be a subsidiary of Affin Hwang Investment Bank and the Affin Banking Group. AHAM's ultimate major shareholders now, is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners;
2. Requirements of Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (Revised: 29 August 2023);
3. Amendments made to the Principal Deed which was registered and lodged with the Securities Commission Malaysia on 29 September 2023 ("Supplemental Deed");
4. Change in the name of the Manager;
5. Change in the name of the Fund; and
6. To streamline the processes and procedures for the Fund such as repurchase proceeds payout period, cooling-off right and suspension of dealing in units.

Kindly refer next page for the summary list of changes made to the Fund.

1) Update on Cover Page of Information Memorandum

Prior Disclosure	Revised Disclosure
<p>This Information Memorandum has been seen and approved by the directors of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.</p> <p>A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Affin Hwang Asset Management Berhad and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.</p>	<p>A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia. The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum. The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) responsible for the Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.</p>

2) Change in the name of the Manager

Prior Disclosure	Revised Disclosure
Affin Hwang Asset Management Berhad	AHAM Asset Management Berhad (Formerly known as Affin Hwang Asset Management Berhad)

3) Change in the name of the Fund

Prior Disclosure	Revised Disclosure
Affin Hwang Flexible Maturity Income Fund 21	AHAM Flexible Maturity Income Fund 21 (Formerly known as Affin Hwang Flexible Maturity Income Fund 21)

4) Update in Glossary Definition

Prior Disclosure	Revised Disclosure
<p>Business Day A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.</p> <p>Deed(s) Refers to the Deed dated 21 October 2021 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.</p> <p>-</p>	<p>Business Day Means a day on which the Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/is open for trading.</p> <p>Deed(s) Refers to the deed dated 21 October 2021 and the first supplemental deed dated 27 September 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.</p> <p>eligible markets Means an exchange, government securities market or an over-the-counter (“OTC”) market–</p> <ol style="list-style-type: none"> a) that is regulated by a regulatory authority of that jurisdiction; b) that is open to the public or to a substantial number of market participants; and c) on which financial instruments are regularly traded.

5) Terminology updates

Prior Disclosure	Revised Disclosure
Structured products	Embedded derivatives
The Fund will invest in foreign fixed income instruments where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions (IOSCO).	The Fund will invest in foreign markets which are eligible markets.

6) Update in Disclosure of Derivatives and Embedded Derivatives

Prior Disclosure	Revised Disclosure
<p>Derivative Investments Derivatives trades may be carried out for both investments and hedging purposes through financial instruments such as, but not limited to, forward contracts, futures contracts swaps and options.</p> <p>Structured Product The Fund may also invest into structured products such as but not limited to credit linked notes. Investment into these structured products will provide the Fund with the exposure to the reference asset. Each of these products has its own targeted maturity and will expose investors to the price fluctuation of, in the case of a credit linked note, the reference entity that the credit linked note is linked to. As a result, any fluctuation in the price of the structured product may also lead to fluctuations in the NAV of the Fund i.e., if the price of the structured product sees a drop in price, the NAV of the Fund will also be negatively impacted. As the note is structured by an external party, investments into a structured product will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on its counterparty prior to an investment being made.</p>	<p>Derivatives Derivatives trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date whereas swaps is an agreement to swap or exchange two financial instruments between two parties.</p> <p>The intention of hedging is to preserve the value of the assets from any adverse price movements. While the hedging transactions will assist within mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forward contracts and swaps which are OTC or traded on centralised exchanges.</p>

	<p>The Fund adopts commitment approach to measure the Fund's global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund's global exposure from the derivatives position must not exceed 100% of NAV of the Fund at all times.</p> <p>Embedded Derivatives</p> <p>We may also invest in embedded derivatives such as, but not limited to, credit-linked notes. Investment in these embedded derivatives will provide the Fund with the exposure to the reference asset. Each of these embedded derivatives has its own targeted maturity and will expose investors to the price fluctuations of, in the case of credit-linked note, the credit that the credit-linked note is linked to. As a result, any fluctuation in the price of the embedded derivatives may also lead to fluctuation in the NAV of the Fund, i.e. if the price of the embedded derivative sees a drop in price, the NAV of the Fund will also be negatively impacted. As the credit-linked note is structured by an external party, investment in an embedded derivative will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on the counterparty prior to an investment being made. Risk in relation to investment in embedded derivatives will also be mitigated by limiting the Fund's total exposure to not more than 10% of the Fund's NAV.</p>
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7) Change in Investment Restrictions and Limits

Prior Disclosure	Revised Disclosure
<p>a) The aggregate value of the Fund's investments in debentures, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer/institution shall not exceed 25% of the Fund's NAV;</p> <p>b) The value of the Fund's investments in debentures issued by any single issuer shall not exceed 20% of the Fund's NAV;</p> <p>c) The single issuer limit in (b) may be increased to 30% if the debentures are rated by RAM, MARC, Standard & Poor's, Moody's or Fitch to be of the best quality and offer highest safety for timely payment of interest and principal (i.e. AAA by RAM or its equivalent rated by other rating agencies);</p> <p>d) For the purpose of (a), where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investments shall not exceed 30% of the Fund's NAV;</p> <p>e) The value of the Fund's investments in debentures issued by any one group of companies shall not exceed 30% of the Fund's NAV;</p> <p>f) The aggregate value of the Fund's investments in debentures which are rated below investment grade i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies, must not exceed 40% of the Fund's NAV;</p>	<p>(a) The Fund's assets must be relevant and consistent with the investment objective of the Fund;</p> <p>(b) The aggregate value of the Fund's investments in bonds that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit").</p> <p>(c) The value of the Fund's placements in deposits with any single financial institution shall not exceed 20% of the Fund's NAV ("Single Financial Institution Limit");</p> <p>(d) The Single Financial Institution Limit does not apply to placements of deposits arising from:</p> <p>(i) Subscription monies received prior to the commencement of investment by the Fund;</p> <p>(ii) Liquidation of investments prior to the termination of the fund, where the placement of deposits with various financial institutions would not be in the best interests of unit holders; or</p> <p>(iii) Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of unit holders.</p> <p>(e) For investments in derivatives/embedded derivatives, the exposure to the underlying assets of that derivative/embedded derivative must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in</p>

<p>g) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV;</p> <p>h) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;</p> <p>i) The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</p> <p>j) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to:-</p> <ol style="list-style-type: none"> i. Debentures traded on an OTC market; and ii. Structured products; <p>k) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;</p> <p>l) The Fund's investments in debentures shall not exceed 20% of that issued by any single issuer;</p> <p>m) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size;</p> <p>n) The limits and restrictions on the permitted investments set out above does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia;</p> <p>o) The issuers of the OTC derivatives must be licensed financial institutions with a minimum long term rating of AA by RAM or its equivalent rated by other rating agencies; and</p> <p>p) Any other investment limits or restrictions imposed by the Guidelines applicable to the Fund.</p> <p>The abovementioned limits and restrictions will be complied with at all times based on the up-to-date value of the Fund, and the value of their investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of units or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached and the Manager, within three (3) months from the date of the breach will take all necessary steps and actions to rectify the breach.</p>	<p>the Guidelines and the value of the Fund's over-the-counter ("OTC") derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</p> <p>(f) The Fund's global exposure from derivatives position shall not exceed the Fund's NAV at all times;</p> <p>(g) The aggregate value of the Fund's investments in or exposure to, a single issuer through bonds, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives shall not exceed 25% of the Fund's NAV ("Single Issuer Aggregate Limit"). In determining the Single Issuer Aggregate Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;</p> <p>(h) The value of the Fund's investments in bonds and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("Single Issuer Limit"). In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;</p> <p>(i) The Single Issuer Limit above may be increased to 30% if the bonds are rated by any Malaysian or global rating agency to have the highest long-term credit rating;</p> <p>(j) Where the Single Issuer Limit is increased to 30% pursuant to above, the Single Issuer Aggregate Limit may be raised to exceed 30% of the Fund's NAV;</p> <p>(k) The value of the Fund's investments in bonds and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV ("Group Limit"). In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation;</p> <p>(l) The Single Issue Limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;</p> <p>(m) Where the Single Issuer Limit is increased to 35% of the Fund's NAV the Single Issuer Aggregate Limit may be raised, subject to the Group Limit not exceeding 35% of the Fund's NAV;</p> <p>(n) The Fund's investments in transferable securities (other than bonds) must not exceed 10% of the securities issued by any single issuer;</p> <p>(o) The Fund's investments in bonds must not exceed 20% of the bonds issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of bonds in issue cannot be determined;</p> <p>(p) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This does not apply to money market instruments that do not have a predetermined issue size;</p> <p>(q) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to any laws and regulations applicable to the Fund.</p> <p>Please note that the above restrictions and limits do not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</p>
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	<p>In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.</p>
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8) Update in Disclosure of Valuation of the Fund

Prior Disclosure	Revised Disclosure
<p>Debentures</p> <p>For unlisted MYR denominated debentures, valuation will be done using the price quoted by a Bond Pricing Agency ("BPA") registered with the SC. If the Manager is of the view that the price quoted by BPA differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield. For unlisted foreign debentures, they will be valued using the average indicative yield quoted by 3 independent and reputable institutions. For listed debentures, the valuations shall be based on the market price i.e. closing bid price. Where the use of the quoted market value is inappropriate, or where no market price is available, including in the event of suspension in the quotation of the listed debentures for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed debentures are valued at fair value determined in good faith by the Manager or its delegate, based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p>Money Market Instruments</p> <p>The valuation of MYR denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For foreign money market instruments, valuation will be done using the average indicative yield quoted by independent and reputable institutions.</p> <p>Derivatives and Structured Products</p> <p>The valuation of derivatives and structured products will be based on the prices provided by the respective issuers or structurer. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives and structured products (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is</p>	<p>Debentures</p> <p>For unlisted MYR denominated debentures, valuation will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated unlisted debentures, valuation will be based on the average indicative price quoted by independent and reputable institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p>For listed debentures, valuation shall be based on the closing price or last known transacted price on the eligible market on which the investment is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the listed debentures for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed debentures will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p>Money Market Instruments</p> <p>Valuation of MYR denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.</p> <p>Derivatives and Embedded Derivatives</p> <p>Valuation of derivatives and embedded derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the</p>

<p>unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance with a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>	<p>use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives and embedded derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by Bloomberg or Refinitiv. If the rates are not available on Bloomberg or Refinitiv, the FX Forwards will be valued based on fair value as determined in good faith by the Manager, using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>
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9) Change in Repurchase Proceeds Payout Period

Prior Disclosure	Revised Disclosure
<p>You will be paid within ten (10) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.</p>	<p>You will be paid within ten (10) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.</p>

10) Update in Disclosure of Cooling-off Right

Prior Disclosure	Revised Disclosure
<p>You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge of the particular Class, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.</p> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.</p> <p>We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T+1 day”).</p> <p>Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.</p>	<p>You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.</p> <p>You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge imposed on the day those Units were purchased.</p> <p>(i) If the price of a Unit on the day the Units were first purchased (“original price”) is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), you will be refunded based on the market price at the point of cooling-off; or</p> <p>(ii) If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.</p> <p>You will be refunded within ten (10) Business Days from our receipt of the cooling-off application.</p> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts funds, you are not entitled to this right.</p> <p>We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T+1 day”).</p>

	Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.
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11) Insertion of Suspension of Dealing in Units

Prior Disclosure	Revised Disclosure
N/A	<p>The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.</p> <p>The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.</p> <p>The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.</p>

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 21 ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 January 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 Deeds, securities laws and the the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing are carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

For TMF Trustees Malaysia Berhad

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
Date: 27 March 2024

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

CONTENTS	PAGE (S)
STATEMENT OF COMPREHENSIVE INCOME	1 - 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	5
MATERIAL ACCOUNTING POLICY INFORMATION	6 - 13
NOTES TO THE FINANCIAL STATEMENTS	14 - 48
STATEMENT BY THE MANAGER	49
INDEPENDENT AUDITORS' REPORT	50 - 53

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	<u>Note</u>	Financial year ended 31.1.2024 RM	Financial period from 22.11.2021 (date of launch) to 31.1.2023 RM
INVESTMENT INCOME/(LOSS)			
Interest income from financial assets at amortised cost		29,410	392,975
Interest income from financial assets at fair value through profit or loss		8,354,989	9,948,302
Net gain/(loss) on foreign currency exchange		37,773	(169,851)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss	12	(8,791,677)	3,664,664
Net gain/(loss) on financial assets at fair value through profit or loss	9	6,641,517	(16,635,971)
		<u>6,272,012</u>	<u>(2,799,881)</u>
EXPENSES			
Management fee	4	(335,125)	(399,834)
Trustee fee	5	(67,025)	(79,967)
Fund accounting fee	6	(14,083)	(13,325)
Auditors' remuneration		(8,000)	(8,000)
Tax agent's fee		(3,500)	(3,500)
Other expenses		(29,537)	(30,746)
		<u>(457,270)</u>	<u>(535,372)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		5,814,742	(3,335,253)
Taxation	7	(707,422)	(988,312)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR/PERIOD		<u>5,107,320</u>	<u>(4,323,565)</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

	<u>Note</u>	Financial year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
Net profit/(loss) after taxation is made up of the following:			
Realised amount		(2,485,632)	5,940,271
Unrealised amount		7,592,952	(10,263,836)
		<u>5,107,320</u>	<u>(4,323,565)</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 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Cash and cash equivalents	11	6,235,208	1,288,914
Amount due from dealer		2,433,251	-
Financial assets at fair value through profit or loss	9	163,986,029	165,479,616
Forward foreign currency contracts at fair value through profit or loss	12	-	4,115,778
Tax recoverable		159,267	46,525
TOTAL ASSETS		<u>172,813,755</u>	<u>170,930,833</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	12	3,585,754	46,182
Amount due to dealer		2,428,176	-
Amount due to Manager - management fee		28,138	28,635
Amount due to Trustee		5,628	5,727
Fund accounting fee		1,083	-
Auditors' remuneration		8,000	8,000
Tax agent's fee		3,500	3,500
Deferred tax liabilities	10	246,001	325,837
Other payables and accruals		161	896
TOTAL LIABILITIES		<u>6,306,441</u>	<u>418,777</u>
NET ASSET VALUE OF THE FUND		<u>166,507,314</u>	<u>170,512,056</u>
EQUITY			
Unitholders' capital		176,896,655	179,506,599
Accumulated losses		(10,389,341)	(8,994,543)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>166,507,314</u>	<u>170,512,056</u>
NUMBER OF UNITS IN CIRCULATION	13	<u>176,624,000</u>	<u>179,410,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.9427</u>	<u>0.9504</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 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 February 2023	179,506,599	(8,994,543)	170,512,056
Total comprehensive income for the financial year	-	5,107,320	5,107,320
Distribution (Note 8)	-	(6,502,118)	(6,502,118)
Movement in unitholders' capital:			
Cancellation of units	(2,609,944)	-	(2,609,944)
Balance as at 31 January 2024	<u>176,896,655</u>	<u>(10,389,341)</u>	<u>166,507,314</u>
Balance as at 22 November 2021 (date of launch)	-	-	-
Total comprehensive loss for the financial period	-	(4,323,565)	(4,323,565)
Distribution (Note 8)	-	(4,670,978)	(4,670,978)
Movement in unitholders' capital:			
Creation of units arising from applications	180,823,000	-	180,823,000
Cancellation of units	(1,316,401)	-	(1,316,401)
Balance as at 31 January 2023	<u>179,506,599</u>	<u>(8,994,543)</u>	<u>170,512,056</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 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	<u>Note</u>	Financial year ended 31.1.2024 RM	Financial period from 22.11.2021 (date of launch) to 31.1.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		35,868,132	14,770,193
Purchase of investments		(28,387,722)	(193,321,835)
Interest received		9,252,617	6,777,332
Management fee paid		(335,622)	(371,199)
Trustee fee paid		(67,124)	(74,240)
Fund accounting fee paid		(13,000)	(13,325)
Realised loss on forward foreign currency contracts		(1,136,327)	(404,932)
Net realised gain on foreign currency exchange		16,729	44,644
Payment for other fees and expenses		(80,476)	(29,850)
Tax paid		(900,000)	(709,000)
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		14,217,207	(173,332,212)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		-	180,823,000
Payments for cancellation of units		(2,609,944)	(1,316,401)
Payment for distribution		(6,502,118)	(4,670,978)
		<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities		(9,112,062)	174,835,621
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,105,145	1,503,409
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(158,851)	(214,495)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH		1,288,914	-
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	11	6,235,208	1,288,914
		<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 FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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/period. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

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

- (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 FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

B INCOME RECOGNITION

Interest income

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

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

Realised gains and losses on sale of investments

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

C TAXATION

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

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

C TAXATION (CONTINUED)

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

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

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

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

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

D DISTRIBUTION

A distribution to the Fund's unitholders 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.

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

The Fund classifies cash and cash equivalents and amount due from dealer 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 dealer, 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.

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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

Unquoted fixed income securities including money market instrument 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 quotation 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 at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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.

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 year/period.

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

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.

I AMOUNT DUE FROM/(TO) DEALER

Amount due from and to dealer represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from dealer 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 dealer, probability that the dealer will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

J UNITHOLDERS' CAPITAL

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

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

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

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

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

K DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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 judgement 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 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 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Flexible Maturity Income Fund 21 (the “Fund”) pursuant to the execution of a Deed dated 21 October 2021 and 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 21 to AHAM Flexible Maturity Income Fund 21 as amended by the First Supplemental Deed dated 27 September 2023.

The Fund commenced operations on 22 November 2021 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed or on maturity date of the Fund which falls on the fifth anniversary of the investment date, 14 Dec 2026 or such earlier date in accordance with the provisions of the Deed or subject to the early maturity feature.

The Fund may invest in any of the following investments:

- (a) Debentures;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives;
- (e) Structured products; and
- (f) Any other form of investments as may be permitted by the SC that is in line with the investment 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 27 March 2024.

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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	11	6,235,208	-	6,235,208
Unquoted fixed income securities	9	-	163,986,029	163,986,029
Amount due from dealer		2,433,251	-	2,433,251
		<u>8,668,459</u>	<u>163,986,029</u>	<u>172,654,488</u>
Total		<u>8,668,459</u>	<u>163,986,029</u>	<u>172,654,488</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	12	-	3,585,754	3,585,754
Amount due to dealer		2,428,176	-	2,428,176
Amount due to Manager				
- management fee		28,138	-	28,138
Amount due to Trustee		5,628	-	5,628
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		161	-	161
		<u>2,474,686</u>	<u>3,585,754</u>	<u>6,060,440</u>
Total		<u>2,474,686</u>	<u>3,585,754</u>	<u>6,060,440</u>
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	1,288,914	-	1,288,914
Unquoted fixed income securities	9	-	165,479,616	165,479,616
Forward foreign currency contracts	12	-	4,115,778	4,115,778
		<u>1,288,914</u>	<u>169,595,394</u>	<u>170,884,308</u>
Total		<u>1,288,914</u>	<u>169,595,394</u>	<u>170,884,308</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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 (continued)</u>				
<u>Financial liabilities</u>				
Forward foreign currency contracts	12	-	46,182	46,182
Amount due to Manager				
- management fee		28,635	-	28,635
Amount due to Trustee		5,727	-	5,727
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		896	-	896
Total		<u>46,758</u>	<u>46,182</u>	<u>92,940</u>

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

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

Market risk

(a) Price risk

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

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

	<u>2024</u> RM	<u>2023</u> RM
Unquoted investments		
Unquoted fixed income securities*	<u>163,986,029</u>	<u>165,479,616</u>

*includes interest receivable of RM2,080,070 (2023: RM2,270,776).

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

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

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit/(loss)</u> <u>after tax/NAV</u> RM
<u>2024</u>		
-3%	157,048,780	(4,857,179)
0%	161,905,959	-
+3%	166,763,138	4,857,179
<u>2023</u>		
-5%	155,048,398	(8,160,442)
0%	163,208,840	-
+5%	171,369,282	8,160,442

(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.

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk (continued)

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. The analysis is based on the assumptions that the interest rate increased and decreased by 1% (100 basis points)/ 2% (200 basis points) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit/(loss) after tax/NAV</u>	
	<u>2024</u> RM	<u>2023</u> RM
+ 1% (2023: 2%)	(210,050)	(534,900)
- 1% (2023: 2%)	206,763	794,772
	<u> </u>	<u> </u>

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

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against 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 FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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>Unquoted fixed income securities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealer</u> RM	<u>Total</u> RM
<u>2024</u>				
<u>Financial assets</u>				
Australian Dollar	6,938,667	111,577	-	7,050,244
Chinese Yuan	2,016,640	1,528	-	2,018,168
Euro	6,548,748	86,178	-	6,634,926
Pound Sterling	1,758,270	54,415	-	1,812,685
Singapore Dollar	3,354,823	2,935,223	-	6,290,046
United States Dollar	60,976,438	1,046,631	2,433,251	64,456,320
	<u>81,593,586</u>	<u>4,235,552</u>	<u>2,433,251</u>	<u>88,262,389</u>
		<u>Forward foreign currency contracts</u> RM	<u>Amount due to dealer</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Australian Dollar		310,444	-	310,444
Chinese Yuan		69,158	-	69,158
Euro		121,152	-	121,152
Pound Sterling		32,412	-	32,412
Singapore Dollar		547,683	-	547,683
United States Dollar		2,504,905	2,428,176	4,933,081
		<u>3,585,754</u>	<u>2,428,176</u>	<u>6,013,930</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Australian Dollar	4,926,518	16,387	6,795	4,949,700
Chinese Yuan	617,043	52,257	60,524	729,824
Euro	4,085,100	55,560	1,676	4,142,336
British Pound Sterling	1,521,643	43,297	134,740	1,699,680
Singapore Dollar	9,789,495	57,089	4,143	9,850,727
United States Dollar	71,978,466	3,891,188	279,858	76,149,512
	<u>92,918,265</u>	<u>4,115,778</u>	<u>487,736</u>	<u>97,521,779</u>
			<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Australian Dollar			36,502	36,502
Singapore Dollar			9,680	9,680
			<u>46,182</u>	<u>46,182</u>

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables 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 (decrease)/increase 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.

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

	Change in rate %	Impact on profit/ (loss) after tax/NAV RM
<u>2024</u>		
Australian Dollar	+/-7.70	+/- 518,965
Chinese Yuan	+/-4.63	+/- 90,239
Euro	+/-5.77	+/- 375,845
British Pound Sterling	+/-6.14	+/- 109,309
Singapore Dollar	+/-3.53	+/- 202,705
United States Dollar	+/-6.11	+/- 3,636,870
<u>2023</u>		
Australian Dollar	+/-12.71	+/- 624,467
Chinese Yuan	+/-5.73	+/- 41,819
Euro	+/-8.98	+/- 371,982
British Pound Sterling	+/-11.27	+/- 191,554
Singapore Dollar	+/-4.62	+/- 454,656
United States Dollar	+/-5.36	+/- 4,081,614

Credit risk

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

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

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

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

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealer</u> RM	<u>Total</u> RM
<u>2024</u>				
Basic Materials				
- Ba3	2,429,595	-	-	2,429,595
- BBB+	3,636,472	-	-	3,636,472
Consumer Discretionary				
- AA1	5,177,753	-	-	5,177,753
- A+	3,055,320	-	-	3,055,320
- Baa3	2,095,469	-	-	2,095,469
- BBB	5,263,430	-	-	5,263,430
Energy				
- A1	9,926,448	-	-	9,926,448
Financials Services				
- AAA	9,272,723	6,235,208	-	15,507,931
- AA1	4,985,114	-	-	4,985,114
- AA	5,113,666	-	-	5,113,666
- A3	7,491,141	-	-	7,491,141
- Baa1	8,256,075	-	-	8,256,075
- Baa2	5,692,248	-	-	5,692,248
- Baa3	9,171,468	-	-	9,171,468
- Ba2	1,404,521	-	-	1,404,521
- Ba3	5,396,119	-	-	5,396,119
- BBB+	4,651,008	-	-	4,651,008
- BBB-	7,622,154	-	-	7,622,154
Health Care				
- AA-	1,028,467	-	-	1,028,467
- A+	7,993,363	-	-	7,993,363
Industrials				
- AAA	5,031,944	-	-	5,031,944
- A+ IS	10,172,351	-	-	10,172,351
- NR	-	-	2,433,251	2,433,251
Real Estate				
- AA-	5,150,760	-	-	5,150,760
- A2	5,199,786	-	-	5,199,786
- Baa1	5,498,110	-	-	5,498,110
- Baa2	1,736,357	-	-	1,736,357
- Baa3	6,181,312	-	-	6,181,312
- NR	1,773,153	-	-	1,773,153

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealer</u> RM	<u>Total</u> RM
<u>2024</u> (continued)				
Technology				
- Baa3	8,434,879	-	-	8,434,879
Utilities				
- AA3	5,144,823	-	-	5,144,823
	<u>163,986,029</u>	<u>6,235,208</u>	<u>2,433,251</u>	<u>172,654,488</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2023</u>				
Basic Materials				
- BBB+	3,122,043	-	-	3,122,043
Consumer Discretionary				
- AA1	5,159,014	-	-	5,159,014
- A+	3,040,659	-	-	3,040,659
- Baa2	3,785,631	-	-	3,785,631
- Baa3	3,651,141	-	-	3,651,141
- BBB-	4,503,935	-	-	4,503,935
Energy				
- A1	9,823,148	-	-	9,823,148
Financial Services				
- AAA	5,116,988	3,213,583	1,288,914	9,619,485
- AA1	4,935,449	-	-	4,935,449
- AA3	-	848,080	-	848,080
- A3	6,852,470	-	-	6,852,470
- Ba1	4,659,393	-	-	4,659,393
- Ba3	3,206,632	-	-	3,206,632
- Baa1	6,335,619	-	-	6,335,619
- Baa2	1,623,286	-	-	1,623,286
- Baa3	13,297,608	-	-	13,297,608
- BBB+	4,123,868	-	-	4,123,868
- BBB-	6,824,223	-	-	6,824,223
- NR	-	54,115	-	54,115
- BB	3,329,462	-	-	3,329,462
Health Care				
- AA-	9,011,254	-	-	9,011,254
Industrials				
- AAA	4,983,544	-	-	4,983,544
- A+	10,047,151	-	-	10,047,151

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2023</u> (continued)				
Real Estate				
- AA-	5,040,860	-	-	5,040,860
- A2	5,177,986	-	-	5,177,986
- Ba3	3,004,592	-	-	3,004,592
- Baa1	4,042,231	-	-	4,042,231
- Baa2	6,383,913	-	-	6,383,913
- Baa3	2,706,465	-	-	2,706,465
- BBB-	2,991,233	-	-	2,991,233
- C	933,362	-	-	933,362
- Caa3	1,342,850	-	-	1,342,850
- NR	6,869,712	-	-	6,869,712
Utilities				
- AA3	5,123,223	-	-	5,123,223
Technology				
- Baa2	4,430,671	-	-	4,430,671
	<u>165,479,616</u>	<u>4,115,778</u>	<u>1,288,914</u>	<u>170,884,308</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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 cancellation of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>More than one year</u> RM	<u>Total</u> RM
<u>2024</u>				
Forward foreign currency contracts at fair value through profit or loss	-	1,130,131	2,455,623	3,585,754
Amount due to dealer	2,428,176	-	-	2,428,176
Amount due to Manager				
- management fee	28,138	-	-	28,138
Amount due to Trustee	5,628	-	-	5,628
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	-	161	-	161
	<u>2,463,025</u>	<u>1,141,792</u>	<u>2,455,623</u>	<u>6,060,440</u>
<u>2023</u>				
Forward foreign currency contracts at fair value through profit or loss	-	36,502	9,680	46,182
Amount due to Manager				
- management fee	28,635	-	-	28,635
Amount due to Trustee	5,727	-	-	5,727
Auditors' remuneration	-	8,000	-	8,000
Tax agent's fee	-	3,500	-	3,500
Other payables and accruals	-	896	-	896
	<u>34,362</u>	<u>48,898</u>	<u>9,680</u>	<u>92,940</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

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

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital 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.

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

The 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				
- unquoted fixed income securities	-	163,986,029	-	163,986,029
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	3,585,754	-	3,585,754
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2023</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	165,479,616	-	165,479,616
- forward foreign currency contracts	-	4,115,778	-	4,115,778
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	169,595,394	-	169,595,394
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	46,182	-	46,182
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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 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 values of cash and cash equivalents, amount due from dealer 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 Deeds, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 January 2024, the management fee is recognised at a rate of 0.20% (financial period from 22 November 2021 to 31 January 2023: 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.

For the financial year ended 31 January 2024, the Trustee fee is recognised at a rate of 0.04% (financial period from 22 November 2021 to 31 January 2023: 0.04%) per annum on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM14,083 (2023: RM13,325) for the financial year/period.

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

7 TAXATION

	Financial year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
Current taxation	837,661	662,475
Deferred tax (Note 10)	(79,836)	325,837
Over provision in previous financial period	(50,403)	-
	<u>707,422</u>	<u>988,312</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 year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
Net profit/(loss) before taxation	<u>5,814,742</u>	<u>(3,335,253)</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	1,395,538	(800,461)
Tax effects of:		
(Investment income not subject to tax)/ investment loss not brought to tax	(747,458)	1,603,922
Expenses not deductible for tax purposes	27,395	30,369
Restriction on tax deductible expenses for Wholesale Funds	82,350	98,120
Over provision in previous financial period	(50,403)	-
Tax expense	<u>707,422</u>	<u>988,312</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

8 DISTRIBUTION

	Financial year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
Distribution to unitholders is from the following sources:		
Interest income	5,967,141	4,997,946
Previous year's realised income	1,269,293	-
	<hr/>	<hr/>
Gross realised income	7,236,434	4,997,946
Less: Taxation	(653,039)	-
Less: Expenses	(81,277)	(326,968)
	<hr/>	<hr/>
Net distribution amount	<u>6,502,118</u>	<u>4,670,978</u>

During the financial year ended 31 January 2024, distributions were made as follows:

<u>Ex-date</u>	Gross distribution per unit (sen)	Net distribution per unit (sen)
13.12.2023	<u>4.2344</u>	<u>3.6800</u>

During the financial period from 22 November 2021 (date of launch) to 31 January 2023, distribution was made as follows:

<u>Ex-date</u>	Gross distribution per unit (sen)	Net distribution per unit (sen)
13.12.2022	<u>2.6000</u>	<u>2.6000</u>

Gross distribution per unit is derived from gross realised income less expense 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 RM1,269,293 (2023: RM Nil) made from previous financial year's realised income.

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

8 DISTRIBUTION (CONTINUED)

The Fund has incurred an unrealised loss of RM Nil (2023: RM10,263,836) for the financial year ended 31 January 2024.

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:		
- unquoted fixed income securities – local	82,392,443	72,561,351
- unquoted fixed income securities – foreign	81,593,586	92,918,265
	<u>163,986,029</u>	<u>165,479,616</u>
	Financial year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(8,099,319)	(1,171,728)
- unrealised gain/(loss) on changes in fair value	14,740,836	(15,464,243)
	<u>6,641,517</u>	<u>(16,635,971)</u>

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 31 January 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>				
4.7% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,194,239	5,179,188	3.11
4.15% Dialog Group Bhd Call: 16.11.2027 (A1)	10,000,000	9,938,499	9,926,448	5.96
5.19% Genting RMTN Bhd 25.03.2027 (AA1)	5,000,000	5,091,003	5,177,753	3.11
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	5,000,000	5,253,011	5,199,786	3.12

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 31 January 2024 are as follows:
(continued)

<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> (continued)				
3.87% Malaysia Airports Holdings Bhd 30.12.2026 (AAA)	5,000,000	5,021,652	5,031,944	3.02
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	5,000,000	5,227,305	5,139,925	3.09
4.1500% Pac Lease Bhd 05.08.2025 (AA)	5,000,000	5,107,255	5,113,666	3.07
4.29% Point Zone Malaysia Sdn Bhd 05.03.2027 (AA-)	1,000,000	1,017,277	1,028,467	0.62
3.91% Sabah Credit Corp 25.01.2027 (AA1)	5,000,000	5,003,799	4,985,114	2.99
5% Tan Chong Motor Holdings Bhd 14.03.2025 (A+)	3,000,000	3,057,355	3,055,320	1.84
5.50% Tanjung Bin Energy Sdn Bhd 14.03.2025 (AA3)	5,000,000	5,193,285	5,144,823	3.09
3.95% TG Excellence Bhd Call: 27.02.2025 (A+)	8,000,000	8,084,892	7,993,363	4.80
4.2000% Toyota Capital Malaysia 26.06.2026 (AAA)	4,000,000	4,063,576	4,093,535	2.46
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,123,623	5,150,760	3.09
5.55% Yinson Holdings Berhad 07.12.2026 (A+)	10,000,000	10,137,065	10,172,351	6.11
Total unquoted fixed income securities – local	<u>81,000,000</u>	<u>82,513,836</u>	<u>82,392,443</u>	<u>49.48</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(121,393)</u>		
Total unquoted fixed income securities – local		<u>82,392,443</u>		

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (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 31 January 2023 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
4.7% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,235,215	5,116,988	3.00
4.15% Dialog Group Bhd Call: 16.11.2027 (A1)	10,000,000	9,938,395	9,823,148	5.76
5.19% Genting RMTN Bhd 25.03.2027 (AA1)	5,000,000	5,091,714	5,159,014	3.03
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	5,000,000	5,253,059	5,177,986	3.04
3.87% Malaysia Airports Holdings Bhd 30.12.2026 (AAA)	5,000,000	5,023,024	4,983,544	2.92
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	5,000,000	5,247,533	5,102,075	2.99
4.29% Point Zone Malaysia Sdn Bhd 05.03.2027 (AA-)	1,000,000	1,017,277	1,012,277	0.59
3.91% Sabah Credit Corp 25.01.2027 (AA1)	5,000,000	5,004,530	4,935,449	2.90
5% Tan Chong Motor Holdings Bhd 14.03.2025 (A+)	3,000,000	3,058,352	3,040,659	1.78
5.50% Tanjung Bin Energy Sdn Bhd 14.03.2025 (AA3)	5,000,000	5,270,409	5,123,223	3.00
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	8,000,000	8,084,000	7,998,977	4.69
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,155,352	5,040,860	2.96
5.55% Yinson Holdings Berhad 07.12.2026 (A+)	10,000,000	10,153,766	10,047,151	5.89
Total unquoted fixed income securities – local	<u>72,000,000</u>	<u>73,532,626</u>	<u>72,561,351</u>	<u>42.55</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(971,275)</u>		
Total unquoted fixed income securities – local		<u>72,561,351</u>		

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

(b) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 31 January 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>				
2.625% AAC Technologies Holdings Inc Call: 02.05.2026 (Baa3)	9,224,475	8,132,748	8,434,879	5.07
3.2% Allianz SE Call: 30.10.2027 (A3)	2,838,300	2,544,453	2,351,216	1.41
3% Ascendas REIT Call: 17.09.2025 (Baa2)	1,765,200	1,557,381	1,736,357	1.04
4.3% Bank Negara Indonesia Call: 24.03.2027 (Ba3)	1,892,200	1,592,716	1,744,173	1.05
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	2,491,120	2,450,571	2,389,119	1.44
3.25% Cooperatieve Rabobank UA Call: 29.12.2026 (Baa3)	5,119,900	4,810,961	4,680,199	2.81
3.3% DBS Group Holdings Ltd Call: 27.02.2025 (Baa1)	1,892,200	1,836,755	1,871,606	1.12
4.1% Elect Global Investments Ltd Call: 03.06.2025 (Baa3)	3,784,400	3,412,639	3,302,478	1.98
4.25% Far East Horizon Ltd 26.10.2026 (BBB-)	5,676,600	4,937,975	5,274,216	3.17
4% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	2,128,725	1,902,223	2,095,469	1.26
2.15% Haidilao International Holding 14.01.2026 (BBB)	5,676,600	4,924,194	5,263,430	3.16
5.875% HSBC Holdings PLC Call: 28.09.2026 (Baa3)	1,797,960	1,713,454	1,758,270	1.06
6% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	2,838,300	2,661,335	2,732,999	1.64
5.5% Huarong Finance II 16.01.2025 (Ba2)	1,419,150	1,261,836	1,404,521	0.84
8.25% Indika Energy Capital IV Call: 22.03.2024 (Ba3)	2,365,250	2,428,176	2,429,595	1.46
4.4% Krung Thai Bank PLC Call: 25.03.2026 (Ba3)	3,784,400	3,416,248	3,651,946	2.19
3.4% Lendlease Finance Ltd Call: 29.07.2027 (Baa3)	3,113,900	3,047,532	2,878,834	1.73
7.0860% Lloyds Banking Group PLC Call 31.08.2028 (Baa1)	1,556,950	1,540,147	1,670,714	1.00
3.5% Mapletree North Asia Com Trust Call: 08.06.2026 (NR)	1,765,200	1,533,544	1,618,466	0.97

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 January 2024 are as follows (continued):

<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> (continued)				
4.4% Newcastle Coal Infrastructure Call: 29.06.2027 (BBB+)	3,784,400	3,426,274	3,636,472	2.19
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	4,730,500	4,412,531	4,651,008	2.79
5.875% QBE Insurance Group Ltd Call: 17.06.2026 (BBB-)	2,365,250	2,241,371	2,347,938	1.41
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	5,676,600	5,390,233	5,498,110	3.30
3.500% Societe Generale SA Call: 09.07.2025 (Baa2)	1,977,390	1,873,917	2,016,640	1.21
1.2% Standard Chartered PLC Call 23.09.2026 (Baa2)	2,047,960	1,739,182	1,868,549	1.12
4.375% Svenska Handelsbanken AB Call: 01.03.2027 (Baa2)	1,892,200	1,728,454	1,807,059	1.09
6.2% Times China Holdings Ltd Call: 22.03.2024 (NR) *	4,730,500	3,452,838	154,687	0.09
2.894% Westpac Banking Corp Call: 04.02.2025 (Baa1)	2,365,250	2,225,912	2,324,636	1.40
Total unquoted fixed income securities – foreign	<u>90,700,880</u>	<u>82,195,600</u>	<u>81,593,586</u>	<u>49.00</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(602,014)</u>		
Total unquoted fixed income securities – foreign		<u>81,593,586</u>		

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (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 31 January 2023 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
2.625% AAC Technologies Holdings Inc Call: 02.05.2026 (Baa2)	5,118,600	4,939,285	4,430,671	2.60
3.2% Allianz SE Call: 30.10.2027 (Baa1)	2,559,300	2,514,874	2,120,608	1.24
2.95% Australia New Zealand Bank Gp Call: 22.07.2025 (Baa1)	853,100	797,774	784,628	0.46
5.00% Bangkok Bank PCL/Hong Kong Call: 23.09.2025 (Ba1)	1,706,200	1,746,643	1,674,768	0.98
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	2,392,560	2,449,075	2,220,053	1.30
4.625% BNP Paribas SA Call: 12.01.2027 (Ba1)	3,412,400	3,362,730	2,984,625	1.75
3% Ascendas REIT Call: 17.09.2025 (Baa2)	3,239,100	3,111,155	3,068,918	1.80
5.75% Celestial Miles Ltd Call: 31.01.2024 (NR)	2,132,750	2,192,992	2,167,321	1.27
5.25% CIFI Holdings Group Co Ltd Call: 13.11.2023 (NR)	1,706,200	1,565,989	598,749	0.35
5.85% CIFI Holdings Group Co Ltd Call: 20.02.2023 (NR)	1,893,900	1,928,968	617,043	0.36
6.45% CIFI Holdings Group Co Ltd Call: 06.02.2023 (NR)	1,279,650	942,517	470,911	0.28
3.25% Cooperatieve Rabobank UA Call: 29.12.2026 (Baa3)	4,619,400	4,832,530	4,085,100	2.39
3.125% Country Garden Holdings Co Ltd Call: 22.09.2025 (Ba3)	4,265,500	3,297,487	3,004,592	1.76
8% Country Garden Holdings Co Ltd Call: 20.02.2023 (NR)	1,706,200	1,557,537	1,547,447	0.91
4.1% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	3,412,400	3,405,906	3,314,995	1.94
4.25% Far East Horizon Ltd 26.10.2026 (BBB-)	3,412,400	3,282,248	3,060,975	1.80
4% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	3,838,950	3,722,403	3,651,141	2.14

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (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 31 January 2023 are as follows (continued):

<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> (continued)				
2.15% Haidilao International Holding 14.01.2026 (BBB-)	5,118,600	4,840,110	4,503,935	2.64
5.21% HSBC Holdings PLC Call: 11.08.2027 (A3)	1,706,200	1,819,464	1,750,395	1.03
5.875% HSBC Holdings PLC Call: 28.09.2026 (Baa3)	1,577,190	1,710,786	1,521,643	0.89
6% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	2,559,300	2,701,200	2,484,313	1.46
3.8% Huarong Finance 2017 Co 07.11.2025 (Baa3)	2,429,325	2,255,683	2,261,103	1.33
4.25% Huarong Finance 2019 Co Ltd Call: 30.09.2025 (BB)	3,838,950	3,746,042	3,329,462	1.95
5.5% Huarong Finance II 16.01.2025 (Baa3)	2,132,750	2,105,099	2,082,613	1.22
6.875% Julius Baer Group Ltd Call: 09.06.2027 (Baa3)	853,100	884,898	862,836	0.51
4.4% Krung Thai Bank PLC Call: 25.03.2026 (Ba3)	3,412,400	3,403,821	3,206,632	1.88
3.4% Lendlease Finance Ltd Call: 29.07.2027 (Baa3)	2,990,700	3,049,096	2,706,465	1.59
3.15% Mapletree Industrial Trust Call: 11.05.2026 (BBB-)	3,239,100	3,075,706	2,991,233	1.75
3.5% Mapletree North Asia Com Trust Call: 08.06.2026 (NR)	1,619,550	1,522,105	1,468,241	0.86
2.7% MINOR International PCL Call: 19.04.2026 (Baa2)	4,265,500	4,162,324	3,785,631	2.22
4.4% Newcastle Coal Infrastructure Call: 29.06.2027 (BBB+)	3,412,400	3,433,696	3,122,043	1.83
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	4,265,500	4,421,195	4,123,868	2.42
4.9% Powerlong Real Estate Call: 13.05.2024 (Caa3)	4,265,500	3,939,877	1,342,850	0.79
5.875% QBE Insurance Group Ltd Call: 17.06.2026 (BBB-)	3,838,950	4,037,819	3,763,248	2.21
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	4,265,500	4,498,075	4,042,231	2.37

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (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 31 January 2023 are as follows (continued):

<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 (continued)</u>				
4.375% Svenska Handelsbanken AB Call: 01.03.2027 (Baa2)	1,706,200	1,707,164	1,623,286	0.95
6.2% Times China Holdings Ltd Call: 22.09.2023 (C) *	4,265,500	3,147,836	933,362	0.55
2.894% Westpac Banking Corp Call: 04.02.2025 (Baa1)	1,279,650	1,299,124	1,210,330	0.71
Total unquoted fixed income securities – foreign	<u>110,590,475</u>	<u>107,411,233</u>	<u>92,918,265</u>	<u>54.49</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(14,492,968)</u>		
Total unquoted fixed income securities – foreign		<u>92,918,265</u>		

* Times China Holdings Ltd (“Times China”)

Times China officially defaulted on their offshore debt obligations after not being able to cure their missed coupons, for 6.6% senior notes due 2023, within the 30 days grace period which ended on 30 December 2022. The default highlighted the tough operating environment and tight liquidity positions of the smaller developers. According to Times China’s 1H2023 interim report, it has completed the restructuring of its onshore bonds. Restructuring terms include maturity extension by 3 to 4 years and installment payments on a quarterly basis. The onshore restructuring plan was approved in May 2023, and it was reported that Times China paid the initial installment to its onshore bondholders. Times China has hired CICC as its financial advisor for offshore debt restructuring. The Manager awaits further details on the restructuring plan of the offshore bonds.

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

10 DEFERRED TAX LIABILITIES

	<u>2024</u> RM	<u>2023</u> RM
Deferred tax liabilities	246,001	325,837

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

	Foreign interest receivables on financial assets at fair value through profit or loss	
	<u>2024</u> RM	<u>2023</u> RM
Balance at the beginning of the financial year/period	325,837	-
Transfer to income statement (Note 7)	(79,836)	325,837
Balance as at the end of the financial year/period	246,001	325,837

11 CASH AND CASH EQUIVALENTS

	<u>2024</u> RM	<u>2023</u> RM
Cash and bank balances	4,248,413	505,642
Deposit with a licensed financial institution	1,986,795	783,272
	<u>6,235,208</u>	<u>1,288,914</u>

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

	<u>2024</u> %	<u>2023</u> %
Deposit with a licensed financial institution	3.02	2.75

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

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

12 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 22 (2023: 28) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM76,902,026 (2023: RM92,708,993). The forward foreign currency contracts entered into during the financial year/period 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 year/period, the changes 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 assets at fair value through profit or loss:		
- forward foreign currency contracts	-	4,115,778
	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	3,585,754	46,182
	<u> </u>	<u> </u>
	Financial year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(1,136,327)	(404,932)
- unrealised (loss)/gain on changes in fair value	(7,655,350)	4,069,596
	<u> </u>	<u> </u>
	<u>(8,791,677)</u>	<u>3,664,664</u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

12 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 31 January 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 Bhd #	11,179,282	11,883,108	(703,826)	(0.41)
AmBank (M) Bhd	7,041,330	7,291,610	(250,280)	(0.15)
CIMB Bank Bhd	22,801,446	23,910,062	(1,108,616)	(0.67)
Hong Leong Bank Bhd	9,753,700	10,150,246	(396,546)	(0.24)
J.P. Morgan Chase Bank Bhd	4,683,910	4,834,399	(150,489)	(0.09)
Maybank Bhd	12,206,015	12,868,493	(662,478)	(0.40)
Standard Chartered Bank Malaysia Bhd	9,236,343	9,549,862	(313,519)	(0.19)
Total forward foreign currency contracts	76,902,026	80,487,780	(3,585,754)	(2.15)

(ii) Forward foreign currency contracts as at 31 January 2023 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd #	16,745,788	16,071,375	674,413	0.40
AmBank (M) Bhd	2,899,710	2,732,539	167,171	0.10
CIMB Bank Bhd	26,319,446	24,805,364	1,514,082	0.89
Hong Leong Bank Bhd	12,210,400	11,466,313	744,087	0.44
J.P. Morgan Chase Bank Bhd	3,902,095	3,847,980	54,115	0.03
Maybank Bhd	12,206,015	11,551,372	654,643	0.38
Standard Chartered Bank Malaysia Bhd	18,425,539	18,164,454	261,085	0.15
Total forward foreign currency contracts	92,708,993	88,639,397	4,069,596	2.39

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

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

13 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of financial year/date of launch	179,410,000	-
Creation of units arising from applications	-	180,823,000
Cancellation of units	<u>(2,786,000)</u>	<u>(1,413,000)</u>
At the end of the financial year/period	<u><u>176,624,000</u></u>	<u><u>179,410,000</u></u>

14 TRANSACTIONS WITH DEALERS

(i) Details of transactions with the top dealers for the financial year ended 31 January 2024 are as follows :

<u>Name of dealers</u>	<u>Value of trade</u>	<u>Percentage of total trade</u>
	RM	%
CIMB Bank Bhd	12,337,900	18.02
Australia & New Zealand Banking Group Ltd	11,571,681	16.90
MarketAxess Holdings Inc #	10,098,768	14.75
Nomura Singapore Ltd	5,593,057	8.17
DBS Bank Ltd	4,326,962	6.32
Morgan Stanley Asia Ltd	4,325,190	6.32
Citigroup Global Markets	4,126,406	6.03
Bank of America	3,185,451	4.65
Jefferies International Ltd	2,635,087	3.85
RHB Investment Bank Bhd #	2,471,674	3.61
Others	7,784,240	11.38
	<u><u>68,456,416</u></u>	<u><u>100.00</u></u>

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

14 TRANSACTIONS WITH DEALERS (CONTINUED)

(ii) Details of transactions with the top 10 dealers for the financial period from 22 November 2021 (date of launch) to 31 January 2023 are as follows:

<u>Name of dealers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>
RHB Investment Bank Bhd #	33,214,200	16.13
Nomura Singapore Ltd	29,413,854	14.29
Standard Chartered Bank Malaysia Bhd	26,998,333	13.11
Barclays Bank PLC	16,388,339	7.96
BNP Paribas Securities	11,023,602	5.35
HSBC Banking Corporation Ltd	10,079,213	4.89
Citigroup Global Markets	8,317,778	4.04
Australia & New Zealand Banking Group Ltd	8,297,245	4.03
Standard Chartered Bank	6,866,416	3.34
Jefferies International Ltd	5,502,272	2.67
Others	49,808,310	24.19
	<u>205,909,562</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>	<u>Financial year ended 31.1.2024 RM</u>	<u>Financial period from 22.11.2021 (date of launch) to 31.1.2023 RM</u>
MarketAxess	10,098,769	-
RHB Investment Bank Bhd	2,471,674	30,210,000
	<u>12,570,443</u>	<u>30,210,000</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

14 TRANSACTIONS WITH DEALERS (CONTINUED)

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

	Financial year ended <u>31.1.2024</u> RM	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> RM
AHAM Absolute Return Fund I (formerly known as Affin Hwang Absolute Return Fund I)	869,359	-
AHAM Asia Bond Fund (formerly known as Affin Hwang Asia Bond Fund)	181,100	-
AHAM Bond Fund	-	5,123,500
AHAM Enhanced Income Fund (formerly known as Affin Hwang Enhanced Income Fund)	-	5,148,500
AHAM Flexible Maturity Income Fund 15	695,383	-
AHAM Flexible Maturity Income Fund 16 (formerly known as Affin Hwang Flexible Maturity Income Fund 16)	2,068,796	-
AHAM Flexible Maturity Income Fund 17 (formerly known as Affin Hwang Flexible Maturity Income Fund 17)	1,457,960	-
AHAM Flexible Maturity Income Fund 18 (formerly known as Affin Hwang Flexible Maturity Income Fund 18)	1,069,589	-
AHAM Flexible Maturity Income Fund 19	1,803,286	-
AHAM Hard Currencies Fixed Income Fund (formerly known as Affin Hwang Hard Currencies Fixed Income Fund)	130,001	-
AHAM RMB Bond Fund (formerly known as Affin Hwang RMB Bond Fund)	181,100	-
AHAM Select Bond Fund	2,875,966	19,938,000
AHAM Select Income Fund	513,503	-
Private mandates	724,400	-
	<u>12,570,443</u>	<u>30,210,000</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

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

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
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 FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)**

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

The number of units held by the Manager as at the end of the financial year/period 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 purpose)	<u>2,166</u>	<u>2,042</u>	<u>2,681</u>	<u>2,548</u>

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

16 TOTAL EXPENSE RATIO (“TER”)

	Financial year ended <u>31.1.2024</u> %	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u> %
TER	<u>0.27</u>	<u>0.32</u>

TER is derived from the following calculation:

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

- 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 year/period calculated on a daily basis is RM167,561,425 (2023: RM167,377,001).

AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

17 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial year ended <u>31.1.2024</u>	Financial period from 22.11.2021 (date of launch) to <u>31.1.2023</u>
PTR (times)	<u>0.23</u>	<u>0.63</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = RM30,815,898 (2023: RM193,321,835)
total disposal for the financial year/period = RM46,330,201 (2023: RM15,941,920)

18 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in substantial shareholders of AHAM Asset Management Berhad

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divested all its equity interest of 27% in AHAM Asset Management Berhad to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT"), resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

**AHAM FLEXIBLE MATURITY INCOME FUND 21
(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 21)**

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 48 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 January 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 31 January 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
27 March 2024

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 21
(Formerly known as Affin Hwang Flexible Maturity Income Fund 21)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Flexible Maturity Income Fund 21 (“the Fund”) (formerly known as Affin Hwang Flexible Maturity Income Fund 21) give a true and fair view of the financial position of the Fund as at 31 January 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 January 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 48.

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.

*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1
Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 21
(CONTINUED)
(Formerly known as Affin Hwang Flexible Maturity Income Fund 21)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 21
(CONTINUED)
(Formerly known as Affin Hwang Flexible Maturity Income Fund 21)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 FLEXIBLE MATURITY INCOME FUND 21
(CONTINUED)
(Formerly known as Affin Hwang Flexible Maturity Income Fund 21)**

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
27 March 2024**

DIRECTORY OF SALES OFFICE

HEAD OFFICE

AHAM Asset Management Berhad
Ground Floor,
Menara Boustead,
69, Jalan Raja Chulan,
50200 Kuala Lumpur

Tel : 03 – 2116 6000
Toll free no : 1-800-88-7080
[Email:customer@aham.com.my](mailto:customer@aham.com.my)

PENANG

AHAM Asset Management Berhad
No. 123, Jalan Macalister,
10450 Georgetown,
Penang

Toll free no : 1-800-88-8377

PERAK

AHAM Asset Management Berhad
1, Persiaran Greentown 6,
Greentown Business Centre,
30450 Ipoh, Perak

Tel : 05 – 241 0668
Fax : 05 – 255 9696

PETALING JAYA

AHAM Asset Management Berhad
C-31-1, Jaya One,
72A Jalan Prof Diraja Ungku Aziz,
Section 13,
46200 Petaling Jaya,
Selangor

Tel : 03 – 7760 3062

MELAKA

AHAM Asset Management Berhad
Ground Floor, No. 584, Jalan Merdeka Taman
Melaka Raya,
75000 Melaka

Tel : 06 – 281 2890
Fax : 06 – 281 2937

JOHOR

AHAM Asset Management Berhad
Unit 22-05, Level 22 Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru, Johor

Tel : 07 – 227 8999
Fax : 07 – 223 8998

DIRECTORY OF SALES OFFICE (CONTINUED)

SABAH

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

Tel : 088 – 252 881
Fax : 088 – 288 803

SARAWAK - KUCHING

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

Tel : 082 – 233 320
Fax : 082 – 233 663

SARAWAK - MIRI

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

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

AHAM Asset Management Berhad

Registration No: 199701014290 (429786-T)

Ground Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

Toll Free Number: 1800 88 7080 T: +603 2116 6000

aham.com.my