



ANNUAL REPORT
31 January 2024

AHAM Single Bond Series 5

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee Berhad
(313031-A)

Built On Trust

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AHAM SINGLE BOND SERIES 5

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

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FUND INFORMATION

Fund Name	AHAM Single Bond Series 5
Fund Type	Income
Fund Category	Bond (Wholesale)
Investment Objective	The Fund aims to provide regular income over the medium to long term period
Benchmark	12-month Malayan Banking Berhad Fixed Deposit Rate
Distribution Policy	Subject to the availability of income, the Fund will provide distribution on an annual basis

FUND PERFORMANCE DATA

Category	As at 31 Jan 2024 (%)	As at 31 Jan 2023 (%)	As at 31 Jan 2022 (%)
Portfolio composition			
Unquoted fixed income securities – foreign	105.16	94.30	96.05
Cash & cash equivalent	-5.16	5.70	3.95
Total	100.00	100.00	100.00
Total NAV (RM'million) ¹	41.581	93.965	51.547
NAV per Unit (RM) ²	0.9428	0.9851	1.0119
Unit in Circulation (million)	44.103	95.382	50.942
Highest NAV	1.0016	1.0158	1.0726
Lowest NAV	0.8803	0.8360	0.9971
Return of the Fund (%)	-0.06	2.18	6.48
- Capital Growth (%)	-3.74	-2.64	1.19
- Income Distribution (%)	3.82	4.95	5.23
Gross Distribution per Unit (sen)	4.61	4.30	5.30
Net Distribution per Unit (sen)	3.41	4.30	5.30
Total Expense Ratio (%) ³	0.62	0.65	0.79
Portfolio Turnover Ratio (times) ⁴	1.27	0.29	0.70

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

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

An illustration of the above would be as follow:-

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

¹ The differences between the audited total NAV of the Fund and the published NAV are due to different valuation methodologies

² The differences between the audited NAV per unit of the Fund and the published NAV are due to different valuation methodologies

³ The TER of the Fund decreased due to **lower expenses** during the period under review.

⁴ The Fund's PTR was higher due to higher trading activities during the period under review.

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)
26-Nov-23	27-Nov-23	0.9168	0.0187	0.8993
24-May-23	25-May-23	0.9141	0.0154	0.9031
23-Nov-22	24-Nov-22	0.8806	0.0200	0.8524
24-May-22	25-May-22	0.9249	0.0230	0.9028
24-Nov-21	25-Nov-21	1.0537	0.0280	1.0264
31-May-21	01-Jun-21	1.0525	0.0250	1.0280

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	27-Nov-23	1.8700	100	-	-
	25-May-23	1.5400	100	-	-
	24-Nov-22	2.0000	100	-	-
	25-May-22	2.3000	100	-	-
	25-Nov-21	2.8000	100	-	-
	01-Jun-21	2.5000	100	-	-

Fund Performance

Table 1: Performance of the Fund

	1 Year (1/2/23 - 31/1/24)	3 Years (1/2/21 - 31/1/24)	Since Commencement (30/10/20 - 31/1/24)
Fund	(0.06%)	4.89%	8.10%
Benchmark	2.85%	7.20%	7.70%
Outperformance	(2.91%)	(2.31%)	0.40%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/2/23 - 31/1/24)	3 Years (1/2/21 - 31/1/24)	Since Commencement (30/10/20 - 31/1/24)
Fund	(0.06%)	1.60%	2.42%
Benchmark	2.85%	2.34%	2.30%
Outperformance	(2.91%)	(0.74%)	0.12%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/2/23 - 31/1/24)	FYE 2023 (1/2/22 - 31/1/23)	FYE 2022 (30/10/20 - 31/1/22)
Fund	(0.06%)	1.58%	6.48%
Benchmark	2.85%	2.33%	2.33%
Outperformance	(2.91%)	(0.75%)	4.15%

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.

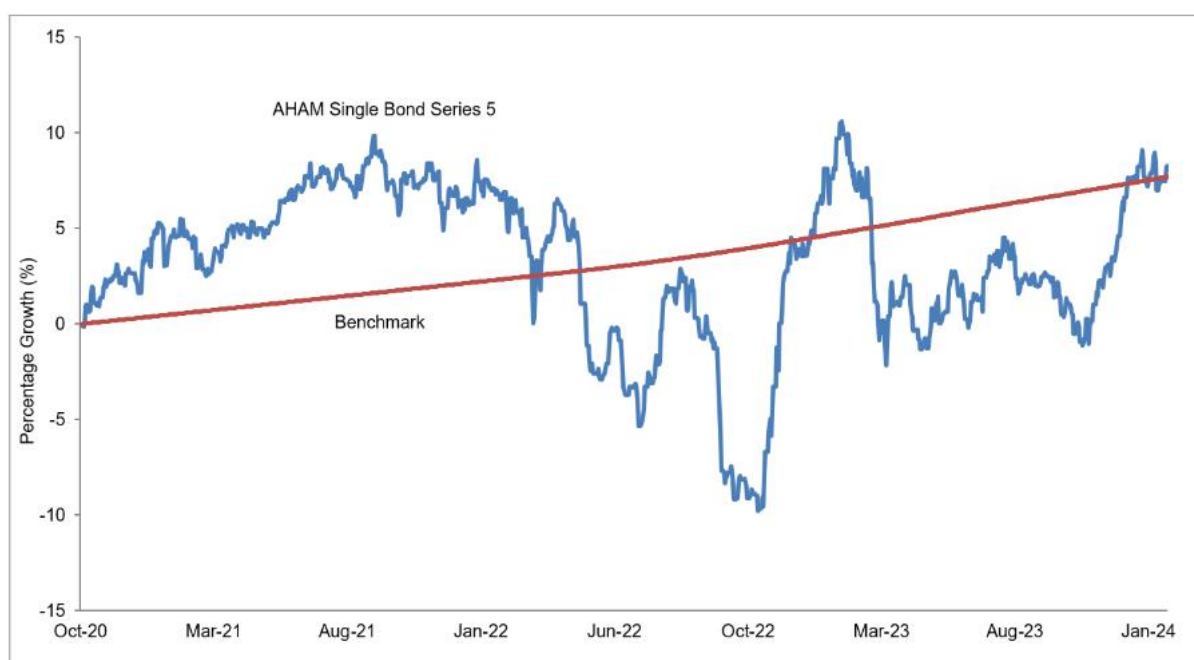
MANAGER'S REPORT

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 -0.06% return compared to the benchmark return of 2.85%. The Fund thus underperformed the Benchmark by 2.91%. The Net Asset Value per unit ("NAV") of the Fund as at 31 January 2024 was RM0.9428 while the NAV as at 31 January 2023 was RM0.9794. During the period under review, the Fund has declared a total income distribution of RM0.0341 per unit.

Since commencement, the Fund has registered a return of 8.10% compared to the benchmark return of 7.70%, outperforming by 0.40%.

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: 12-month Malayan Banking Berhad Fixed Deposit Rate

Asset Allocation

As at 31 January 2024, the asset allocation of the Fund stood at 105.16% (2023:94.30%) of the Fund's NAV in fixed income securities while the remaining was held in cash and cash equivalent.

Strategies Employed

The Fund invests solely into a single bond paper and aims to provide regular income over the medium to long term period.

Market Review

Over the financial year under review, the Standard and Poor's ("S&P") 500 Index returned 18.42% with the Morgan Stanley Capital International ("MSCI") World index slightly behind at 14.66%. Specific to the Asian region, MSCI AC Asia ex Japan Index saw a return of -5.71% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") fared better returning 5.45% in Ringgit terms. Within bond markets, Bloomberg Barclays Global Aggregate Index gained 0.75% while domestically, the bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.79%.

Over the year, market volatility continued to affect economies globally as macro events and policy rate hikes at the start of the financial year influenced both stock and bond markets. The U.S. Federal Reserve ("Fed") have been engaging in a tightening monetary policy stance to address inflationary pressures driven by the economic fallout from the pandemic alongside the various conflicts in 2023 such as geopolitical instability arising from strained ties between U.S. and China, Russia's invasion of Ukraine and the more recent conflict between Israel and Hamas which weighed heavily on global economic growth. In a notable shift in tone towards the end of 2023, however, Fed Chair Jerome Powell struck a dovish chord and acknowledged that tighter U.S. monetary policy was slowing down the economy with market consensus expecting a rate cut in 2024. At its January Federal Open Market Committee ("FOMC") meeting, the Fed opted to keep benchmark rates unchanged, but pushed back the timing of potential rate cuts until more concrete evidence of easing inflation.

While the sharp pace of policy tightening by the Fed during the earlier part of 2023 has not caused the economic downturn market participants anticipated, it inadvertently played a role in destabilising the banking sector. Signs of tension in the banking sector from the accelerated increase in policy rates were visible in March 2023 through the fallout of Silicon Valley Bank ("SVB") and several other regional U.S. banks. With an abundant of deposits over loans, SVB had placed them into available-for-sale and held-to-maturity securities like Treasuries and mortgage-backed securities when yields were at all-time lows. However, as interest rates began to rise rapidly, it recorded massive outflows in deposits alongside the rest of the banking sector. SVB sold substantially all of its available-for-sale securities to accommodate the outflows, incurring a massive loss which eventually led to a bank run. Smaller U.S. banks were caught also caught in the turmoil as concerns spread. Furthermore, Credit Suisse, one of the largest global banks, was also acquired by UBS Group AG ("UBS"), a move that was part of a broader effort to stabilize the financial system, a deal facilitated by the Swiss Financial Market Supervisory Authority ("FINMA"). As part of the deal, Credit Suisse was instructed by FINMA to write down their AT1 bonds, and causing a sell off in the AT1 market.

Looking back on 2023, many predicted at the start of the year that 2023 would be lackluster for U.S. stocks on the back of expectations of economic weakening but to the surprise of investors, the S&P 500 gained 26.3% on a total-return basis over the year. U.S. equities started 2024 on a strong note underpinned by robust economic indicators that fortified the case for a soft landing, surging by 1.60% and reaching a new all-time high in January over the financial year under review. Despite smaller U.S. stocks lagging relative to their larger counterparts, the mid-cap S&P 400 and small-cap Russell 2000 recorded solid gains of 16.4% and 16.9% respectively. Growth stocks also performed, in contrast to 2022 where value stocks outperformed. Notably, U.S. Gross Domestic Product ("GDP") surpassed expectations, expanding by 3.30% in the last quarter of 2023, exceeding the forecast of 2.00%.

Investment Outlook

Since the acquisition of Credit Suisse by UBS, major institutions like UBS, Barclays PLC, HSBC Holdings PLC, Standard Chartered PLC and Societe Generale SA have continued to call their AT1 issuances on their first call dates. This reflects strong capital buffers, enabling them to uphold regulatory capital thresholds, even amidst economic and financial market uncertainties. This show of commitment, particularly in a high-interest-rate landscape, bolstered investor confidence.

HSBC has continued to perform well on its profitability and balance sheet metrics. Despite the challenges in the global financial market, HSBC Holding PLC has demonstrated stronger reported earnings. In its 2023 annual results, the Profit before Tax rose by \$13.3 billion to \$30.3 billion, largely a result of a higher interest rate environment. Its Net Interest Margin of 1.7% increased by 24 basis points ("bps") compared to a year ago while its expected credit losses ("ECL") of \$3.4 billion was \$0.1 billion lower compared to previous year. Its 2023 ECL were 33bps of average gross loans while the Management continued to guide 40bps for FY2024 and 30-40bps over the medium to long term. This fosters confidence in the bank's consistent ability to meet its coupon payment obligations for the AT1 bonds held by the fund.

HSBC's Common Equity Tier 1 ("CET1") ratio has strengthened over the year to 14.8% with the bank's liquidity coverage ratio following suit as well, increasing to 136%. The Bank has targeted a CET1 ratio of 14% to 14.5% in the medium term. HSBC also intend to initiate a share buy-back of up to \$2.0 billion which will reduce the CET1 ratio up to 25 bps to bring it in line to their medium term target, However, this is decrease in CET1 will be offset by the sale of HSBC banking business in Canada by 1H 2024, which will increase the bank's CET1 by 120 bps. Nonetheless, these targeted levels continued to reflect relatively high levels of capital. Its liquidity metrics have remained fairly stable; its Liquidity Coverage Ratio was 136% from 132% a year ago.

In conclusion, these results bolster confidence in HSBC's ability to manage challenges and sustain strong performance. The Bank's commitment to responsible financial management, strategic actions, and risk mitigation strategies positions it well for ongoing performance.

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 unitholders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assist in the decision-making process.

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made To the Fund's Information Memorandum

There were no changes made to the Fund's Information Memorandum during the financial year under review.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AHAM SINGLE BOND SERIES 5 ("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 CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur
Date: 27 March 2024

AHAM SINGLE BOND SERIES 5

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

AHAM SINGLE BOND SERIES 5

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

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

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INVESTMENT (LOSS)/INCOME			
Interest income from financial assets at amortised cost		221,251	96,101
Interest income from financial assets at fair value through profit or loss		3,160,286	4,374,108
Net gain on foreign currency exchange		4,231,322	119,967
Net loss on forward foreign currency contracts at fair value through profit or loss		-	(109,180)
Net (loss)/gain on currency swaps at fair value through profit or loss	13	(6,191,038)	6,021,491
Net loss on financial assets at fair value through profit or loss	9	(3,136,386)	(3,987,528)
		<u>(1,714,565)</u>	<u>6,514,959</u>
EXPENSES			
Management fee	4	(258,999)	(368,229)
Trustee fee	5	(20,916)	(29,588)
Fund accounting fee	6	(13,000)	(12,000)
Auditors' remuneration		(8,000)	(8,000)
Tax agent's fee		(3,500)	(3,500)
Other expenses	11	(15,452)	(60,202)
		<u>(319,867)</u>	<u>(481,519)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(2,034,432)	6,033,440
Taxation	7	(707,089)	(916,843)
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(2,741,521)</u>	<u>5,116,597</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		1,517,852	3,517,396
Unrealised amount		(4,259,373)	1,599,201
		<u>(2,741,521)</u>	<u>5,116,597</u>

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

AHAM SINGLE BOND SERIES 5

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	12	1,811,587	1,511,617
Financial assets at fair value through profit or loss	9	43,727,985	88,607,146
Currency swaps at fair value through profit or loss	13	-	4,881,780
TOTAL ASSETS		<u>45,539,572</u>	<u>95,000,543</u>
LIABILITIES			
Currency swaps at fair value through profit or loss	13	3,695,311	-
Amount due to Manager			
- management fee		17,719	39,114
- cancellation of units		-	16,561
Amount due to Trustee		1,418	3,129
Fund accounting fee		1,000	-
Auditors' remuneration		8,000	8,000
Tax agent's fee		3,500	3,500
Tax provision		134,149	664,906
Deferred tax liabilities	10	96,775	251,937
Other payables and accruals		1,155	48,159
TOTAL LIABILITIES		<u>3,959,027</u>	<u>1,035,306</u>
NET ASSET VALUE OF THE FUND		<u>41,580,545</u>	<u>93,965,237</u>
EQUITY			
Unitholders' capital		43,818,546	91,714,272
(Accumulated losses)/retained earnings		(2,238,001)	2,250,965
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>41,580,545</u>	<u>93,965,237</u>
NUMBER OF UNITS IN CIRCULATION	14	<u>44,103,000</u>	<u>95,382,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.9428</u>	<u>0.9851</u>

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

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

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 February 2023	91,714,272	2,250,965	93,965,237
Total comprehensive loss for the financial year	-	(2,741,521)	(2,741,521)
Distributions (Note 8)	-	(1,747,445)	(1,747,445)
Movement in unitholders' capital:			
Creation of units arising from distributions	142,547	-	142,547
Cancellation of units	(48,038,273)	-	(48,038,273)
Balance as at 31 January 2024	<u>43,818,546</u>	<u>(2,238,001)</u>	<u>41,580,545</u>
Balance as at 1 February 2022	51,274,980	272,451	51,547,431
Total comprehensive income for the financial year	-	5,116,597	5,116,597
Distributions (Note 8)	-	(3,138,083)	(3,138,083)
Movement in unitholders' capital:			
Creation of units arising from applications	47,942,896	-	47,942,896
Creation of units arising from distributions	209,499	-	209,499
Cancellation of units	(7,713,103)	-	(7,713,103)
Balance as at 31 January 2023	<u>91,714,272</u>	<u>2,250,965</u>	<u>93,965,237</u>

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

AHAM SINGLE BOND SERIES 5

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

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		83,547,042	-
Purchase of investments		(42,251,666)	(42,719,701)
Interest received		3,828,935	4,107,479
Management fee paid		(280,394)	(351,159)
Trustee fee paid		(22,627)	(28,222)
Fund accounting fee paid		(12,000)	(12,000)
Payment for other fees and expenses		(73,956)	(24,277)
Net realised loss on forward foreign currency contracts		-	(95,180)
Net realised gain on currency swaps		2,386,053	128,383
Net realised gain on foreign exchange		4,128,918	112,529
Tax paid		(1,393,008)	-
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		49,857,297	(38,882,148)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		-	47,942,896
Payments for cancellation of units		(48,054,833)	(7,696,542)
Payment for distributions		(1,604,899)	(2,928,585)
		<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities		(49,659,732)	37,317,769
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		197,565	(1,564,379)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		102,405	7,438
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		1,511,617	3,068,558
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	12	1,811,587	1,511,617
		<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 SINGLE BOND SERIES 5

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. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

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

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

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

AHAM SINGLE BOND SERIES 5

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.

Realised gains and losses on currency swaps

Realised gain or loss on currency swaps are measured by the net settlement amount as per the currency swap contract.

AHAM SINGLE BOND SERIES 5

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

C TAXATION

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

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

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

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

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

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

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

Deferred and 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 SINGLE BOND SERIES 5

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

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

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

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

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

(ii) Recognition and measurement

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

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.

AHAM SINGLE BOND SERIES 5

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

Financial assets at amortised cost and other financial liabilities, except currency swap contracts, are subsequently carried at amortised cost using the effective interest method.

(iii) Impairment

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

Significant increase in credit risk

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

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.

AHAM SINGLE BOND SERIES 5

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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

Qualitative criteria:

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

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

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 UNITHOLDERS' CAPITAL

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

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

AHAM SINGLE BOND SERIES 5

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

I UNITHOLDERS' CAPITAL (CONTINUED)

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholders exercise 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 NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

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

The fair value of currency swaps is determined using the present value of future cash flows based on observable yield curves at the statement of financial position date.

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.

K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

AHAM SINGLE BOND SERIES 5

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

K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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

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

L 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 SINGLE BOND SERIES 5

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 Single Bond Series 5 (the “Fund”) pursuant to the execution of a Deed dated 14 August 2020 as modified by the First Supplemental Deed dated 9 November 2022 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Single Bond Series 5 to AHAM Single Bond Series 5 as amended by the Supplemental Deed dated 9 November 2022.

The Fund commenced operations on 15 September 2020 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

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

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

All investments will be subjected to the SC’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 regular income over the medium to long term period.

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 SINGLE BOND SERIES 5

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 cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	12	1,811,587	-	1,811,587
Unquoted fixed income securities	9	-	43,727,985	43,727,985
Total		<u>1,811,587</u>	<u>43,727,985</u>	<u>45,539,572</u>
<u>Financial liabilities</u>				
Currency swaps	13	-	3,695,311	3,695,311
Amount due to Manager				
- management fee		17,719	-	17,719
Amount due to Trustee		1,418	-	1,418
Fund accounting fee		1,000	-	1,000
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		1,155	-	1,155
Total		<u>32,792</u>	<u>3,695,311</u>	<u>3,728,103</u>
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	12	1,511,617	-	1,511,617
Unquoted fixed income securities	9	-	88,607,146	88,607,146
Currency swaps	13	-	4,881,780	4,881,780
Total		<u>1,511,617</u>	<u>93,488,926</u>	<u>95,000,543</u>

AHAM SINGLE BOND SERIES 5

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>				
Amount due to Manager				
- management fee		39,114	-	39,114
- cancellation of units		16,561	-	16,561
Amount due to Trustee		3,129	-	3,129
Auditors' remuneration		8,000	-	8,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals*		1,615	-	1,615
Total		<u>71,919</u>	<u>-</u>	<u>71,919</u>

* Excludes tax penalty provision of RM46,544.

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>43,727,985</u>	<u>88,607,146</u>

*includes interest receivable of RM522,247 (2023: RM1,049,740).

AHAM SINGLE BOND SERIES 5

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 (loss)/profit after taxation and 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.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax/NAV RM
<u>2024</u>		
- 3%	41,909,566	(1,296,172)
0%	43,205,738	-
+ 3%	44,501,910	1,297,172
	<u> </u>	<u> </u>
<u>2023</u>		
- 5%	83,179,537	(4,377,870)
0%	87,557,407	-
+ 5%	91,935,277	4,377,870
	<u> </u>	<u> </u>

(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 SINGLE BOND SERIES 5

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 (loss)/profit 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) (2023: 2% (200 basis points)) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on (loss)/profit after tax/NAV</u>	
	<u>2024</u>	<u>2023</u>
	RM	RM
+ 1% (2023: 2%)	(97,223)	(461,707)
- 1% (2023: 2%)	97,489	464,648

The Fund's exposure to interest rate risk associated with deposits 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 movements 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 SINGLE BOND SERIES 5

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:

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM	
<u>2024</u>				
<u>Financial assets</u>				
Euro	-	119	119	
United States Dollar	43,727,985	2,465	43,730,450	
	<u>43,727,985</u>	<u>2,584</u>	<u>43,730,569</u>	
		Currency <u>swaps</u> RM	<u>Total</u> RM	
<u>Financial liabilities</u>				
United States Dollar		3,695,311	3,695,311	
		<u>3,695,311</u>	<u>3,695,311</u>	
	Unquoted fixed income <u>securities</u> RM	Currency <u>swaps</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Euro	-	-	330	330
United States Dollar	88,607,146	4,881,780	116,716	93,605,642
	<u>88,607,146</u>	<u>4,881,780</u>	<u>117,046</u>	<u>93,605,972</u>

AHAM SINGLE BOND SERIES 5

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

	Change in rate %	Impact on (loss)/profit after tax/NAV RM
<u>2024</u>		
Euro	+/-5.79	+/- 7
United States Dollar	+/-5.98	+/- 2,394,101
<u>2023</u>		
Euro	+/-8.74	+/- 29
United States Dollar	+/-5.08	+/- 4,750,795

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 Deeds and SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AHAM SINGLE BOND SERIES 5

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 securities RM	Currency swaps RM	Cash and cash equivalents RM	<u>Total</u> RM
<u>2024</u>				
Financial Services				
- AAA	-	-	1,811,587	1,811,587
- Baa3	43,727,985	-	-	43,727,985
	<u>43,727,985</u>	<u>-</u>	<u>1,811,587</u>	<u>45,539,572</u>
<u>2023</u>				
Financial Services				
- AAA	-	3,703,452	1,511,617	5,215,069
- AA3	-	1,178,328	-	1,178,328
- Baa3	88,607,146	-	-	88,607,146
	<u>88,607,146</u>	<u>4,881,780</u>	<u>1,511,617</u>	<u>95,000,543</u>

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.

AHAM SINGLE BOND SERIES 5

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 (continued)

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2024</u>			
Currency swaps at fair value through profit or loss	3,695,311	-	3,695,311
Amount due to Manager			
- management fee	17,719	-	17,719
Amount due to Trustee	1,418	-	1,418
Fund accounting fee	1,000	-	1,000
Auditors' remuneration	-	8,000	8,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	1,155	1,155
	<u>3,715,448</u>	<u>12,655</u>	<u>3,728,103</u>
<u>2023</u>			
Amount due to Manager			
- management fee	39,114	-	39,114
- cancellation of units	16,561	-	16,561
Amount due to Trustee	3,129	-	3,129
Auditors' remuneration	-	8,000	8,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals *	-	1,615	1,615
	<u>58,804</u>	<u>13,115</u>	<u>71,919</u>

* Excludes tax penalty provision of RM46,544.

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital net of accumulated losses (2023: unitholders' capital and retained earnings). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

AHAM SINGLE BOND SERIES 5

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

AHAM SINGLE BOND SERIES 5

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 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	-	43,727,985	-	43,727,985
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:				
- currency swaps	-	3,695,311	-	3,695,311
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- unquoted fixed income securities	-	88,607,146	-	88,607,146
- currency swaps	-	4,881,780	-	4,881,780
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	93,488,926	-	93,488,926
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities and currency swaps. 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 and all current liabilities, except for currency swaps, are a reasonable approximation of the fair values due to their short-term nature.

AHAM SINGLE BOND SERIES 5

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

4 MANAGEMENT FEE

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

For the financial year ended 31 January 2024, the management fee is recognised at a rate of 0.50% (2023: 0.50%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

5 TRUSTEE FEE

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

For the financial year ended 31 January 2024, the Trustee fee is recognised at a rate of 0.04% (2023: 0.04%) per annum on the NAV of the Fund, excluding 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 RM13,000 (2023: RM12,000) during financial year.

AHAM SINGLE BOND SERIES 5

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

7 TAXATION

	<u>2024</u> RM	<u>2023</u> RM
Current taxation	884,149	664,906
Deferred tax (Note 10)	(155,162)	251,937
Overprovision of taxation in prior year	(21,898)	-
	<u>707,089</u>	<u>916,843</u>

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

	<u>2024</u> RM	<u>2023</u> RM
Net (loss)/profit before taxation	<u>(2,034,432)</u>	<u>6,033,440</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	(488,264)	1,448,026
Tax effects of:		
Investment loss not brought to tax /(investment income not subject to tax)	1,140,483	(690,574)
Expenses not deductible for tax purposes	12,688	25,030
Restriction on tax deductible expenses for Wholesale Funds	64,080	90,535
Foreign income subject to different tax rate	-	43,826
Overprovision of taxation in prior year	(21,898)	-
Tax expense	<u>707,089</u>	<u>916,843</u>

8 DISTRIBUTIONS

	<u>2024</u> RM	<u>2023</u> RM
Distributions to unitholders is from the following sources:		
Interest income	1,383,580	2,866,745
Previous years' realised income	891,067	271,338
Gross realised income	<u>2,274,647</u>	<u>3,138,083</u>
Less: Expenses	(191,286)	-
Less: Taxation	(335,916)	-
Net distribution amount	<u>1,747,445</u>	<u>3,138,083</u>

AHAM SINGLE BOND SERIES 5

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

8 DISTRIBUTIONS (CONTINUED)

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)
25.05.2023	2.02	1.54
27.11.2023	2.59	1.87
	<u>4.61</u>	<u>3.41</u>

During the financial year ended 31 January 2023, distributions were made as follows:

<u>Ex-date</u>	Gross distribution per unit (sen)	Net distribution per unit (sen)
25.05.2022	2.30	2.30
24.11.2022	2.00	2.00
	<u>4.30</u>	<u>4.30</u>

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

Included in the distributions for the financial year is an amount of RM1,383,580 (2023: RM271,338) made from previous years' realised income.

The Fund has incurred an unrealised loss of RM4,259,373 (2023: RMNil).

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 – foreign	<u>43,727,985</u>	<u>88,607,146</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(7,174,516)	-
- unrealised gain/(loss) on changes in fair value	<u>4,038,130</u>	<u>(3,987,528)</u>
	<u>(3,136,386)</u>	<u>(3,987,528)</u>

AHAM SINGLE BOND SERIES 5

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 – 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>				
6% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	45,412,800	42,837,672	43,727,985	105.16
Total unquoted fixed income securities – foreign	<u>45,412,800</u>	<u>42,837,672</u>	<u>43,727,985</u>	<u>105.16</u>
Accumulated unrealised gain on unquoted fixed income securities – foreign		<u>890,313</u>		
Total unquoted fixed income securities – foreign		<u>43,727,985</u>		

(ii) Unquoted fixed income securities – foreign as at 31 January 2023 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>				
6% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	91,281,700	91,754,963	88,607,146	94.30
Total unquoted fixed income securities – foreign	<u>91,281,700</u>	<u>91,754,963</u>	<u>88,607,146</u>	<u>94.30</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(3,147,817)</u>		
Total unquoted fixed income securities – foreign		<u>88,607,146</u>		

AHAM SINGLE BOND SERIES 5

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

10 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

	<u>2024</u> RM	<u>2023</u> RM
Deferred tax liabilities	96,775	251,937

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

	Foreign interest receivables on financial assets at fair value <u>through profit or loss</u>	
	<u>2024</u> RM	<u>2023</u> RM
Balance at the beginning of the financial year	251,937	-
Transfer to income statement (Note 7)	(155,162)	251,937
Balance as at the end of the financial year	96,775	251,937

11 OTHER EXPENSES

	<u>2024</u> RM	<u>2023</u> RM
Other expenses	16,985	13,658
Tax penalty provision*	-	46,544
Overprovision for prior year's tax penalty provision	(1,533)	-
	15,452	60,202

* Provision of tax penalty was contributed by the overprovision of tax payable estimate for financial year 2023.

AHAM SINGLE BOND SERIES 5

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

12 CASH AND CASH EQUIVALENTS

	<u>2024</u> RM	<u>2023</u> RM
Cash and bank balances	17,692	136,482
Deposits with a licensed financial institution	1,793,895	1,375,135
	<u>1,811,587</u>	<u>1,511,617</u>

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

	<u>2024</u> %	<u>2023</u> %
Deposits with a licensed financial institution	<u>3.00</u>	<u>2.75</u>

The deposits with a licensed financial institution have an average remaining maturity period of 2 days (2023: 2 days).

13 CURRENCY SWAPS

As at the date of statement of financial position, there are 9 (2023: 20) currency swaps outstanding. The notional principal amount of the outstanding currency swaps amounted to RM40,622,950 (2023: RM91,124,350). As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the currency swaps 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: - currency swaps	<u>-</u>	<u>4,881,780</u>
Financial liabilities at fair value through profit or loss: - currency swaps	<u>3,695,311</u>	<u>-</u>

AHAM SINGLE BOND SERIES 5

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

13 CURRENCY SWAPS (CONTINUED)

	<u>2024</u> RM	<u>2023</u> RM
Net (loss)/gain on currency swaps at fair value through profit or loss:		
- realised gain on currency swaps	2,262,088	275,279
- unrealised (loss)/gain on currency swaps	(8,453,126)	5,746,212
	<u>(6,191,038)</u>	<u>6,021,491</u>

(a) Currency swaps

(i) Currency swaps 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 #	15,459,500	16,247,115	(787,615)	1.89
CIMB Bank Bhd	25,163,450	28,071,146	(2,907,696)	6.99
	<u>40,622,950</u>	<u>44,318,261</u>	<u>(3,695,311)</u>	<u>8.89</u>

(ii) Currency swaps 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 #	15,459,500	14,267,548	1,191,952	1.27
CIMB Bank Bhd	75,664,850	71,975,022	3,689,828	3.93
	<u>91,124,350</u>	<u>86,242,570</u>	<u>4,881,780</u>	<u>5.20</u>

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 at agreed terms between the related parties.

AHAM SINGLE BOND SERIES 5

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

14 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of financial year	95,382,000	50,942,000
Creation of units arising from applications	-	52,291,256
Creation of units arising from distributions	159,664	232,744
Cancellation of units	(51,438,664)	(8,084,000)
At the end of the financial year	<u>44,103,000</u>	<u>95,382,000</u>

15 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> RM	<u>Percentage of total trade</u> %
RHB Investment Bank Berhad	84,513,746	63.99
Citibank Berhad	12,914,762	9.78
Jefferies International Ltd	11,758,592	8.90
HSBC Bank Malaysia Berhad	6,264,162	4.74
Standard Chartered Bank Malaysia Berhad	4,181,475	3.17
Citigroup Global Markets Asia Ltd	4,153,181	3.14
BNP Paribas Securities (Singapore) Pte Ltd	4,149,939	3.14
DBS Bank Ltd	4,138,437	3.14
	<u>132,074,294</u>	<u>100.00</u>

AHAM SINGLE BOND SERIES 5

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

15 TRANSACTIONS WITH DEALERS (CONTINUED)

(ii) Details of transactions with the dealers for the financial year ended 31 January 2023 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Citigroup Global Markets Singapore Pte Ltd	12,633,509	29.57
Citibank Berhad	10,120,000	23.69
MarketAxess Holdings Inc	9,413,184	22.04
BNP Paribas Securities (Singapore) Pte Ltd	4,047,680	9.47
HSBC Bank Malaysia Berhad	3,988,977	9.34
Bank of America Merrill Lynch	2,516,350	5.89
	<u>42,719,700</u>	<u>100.00</u>

16 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

AHAM SINGLE BOND SERIES 5

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

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

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

<u>Related parties</u>	<u>Relationship</u>
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

The number of units held by the Manager as at the end of the financial year 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)	10,892	10,269	10,411	10,256

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

AHAM SINGLE BOND SERIES 5

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

17 TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>0.62</u>	<u>0.65</u>

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors' remuneration
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM52,344,398 (2023: RM74,041,670).

18 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>1.27</u>	<u>0.29</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM42,251,666 (2023: RM42,719,701)
total disposal for the financial year = RM90,721,559 (2023: RM Nil)

AHAM SINGLE BOND SERIES 5

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

19 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 SINGLE BOND SERIES 5

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 35 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 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 SINGLE BOND SERIES 5

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Single Bond Series 5 (“the Fund”) 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, set out on pages 1 to 35.

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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM SINGLE BOND SERIES 5 (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or terminate the Fund, 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 SINGLE BOND SERIES 5 (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SINGLE BOND SERIES 5 (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
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