



ANNUAL REPORT
31 March 2024

AHAM Strategic Fund

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
200301008392 (610812-W)

Built On Trust

aham.com.my

AHAM STRATEGIC FUND

Annual Report and Audited Financial Statements For the Financial Period 13 March 2023 (Date of Launch) - 31 March 2024

Content	Page
FUND INFORMATION.....	II
FUND PERFORMANCE DATA.....	III
MANAGER'S REPORT.....	V
TRUSTEE'S REPORT.....	VIII
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

FUND INFORMATION

Fund Name	AHAM Strategic Fund
Fund Type	Growth
Fund Category	Closed-end Equity (Wholesale)
Investment Objective	The Fund seeks to provide capital growth throughout the tenure of the Fund.
Tenure of the Fund	The tenure of the Fund will be 5 years, subject to 2 additional consecutive 5-years extensions at the end of the 5th year (“Maturity Date”), or such other date determined by us in our sole and absolute discretion and notified to you via Communiqué (“Early Maturity Date”).
Termination Date	27 March 2028
Distribution Policy	<p>Depending on the level of income the Fund generates, incidental distribution may be declared whenever is appropriate.</p> <p>The Fund may make distribution out of capital if there are insufficient realised gains or realised income.</p> <p>The Fund may also make capital repayment through compulsory repurchase of Units held by the Unit Holders. If distributions are made by way of capital repayment, the Units will be repurchased at the prevailing NAV per Unit.</p>

FUND PERFORMANCE DATA

Category	As at 31 Mar 2024 (%)
Portfolio composition	
Unquoted equity security – local	99.90
Total unquoted equity security – local	99.90
Cash and cash equivalent	0.10
Total	100.00
Total NAV (RM'million)	44.129
NAV per Unit (RM)	1.0010
Unit in Circulation (million)	44.084
Highest NAV	1.0034
Lowest NAV	0.9985
Return of the Fund (%) ¹	0.10
- Capital Growth (%)	0.10
- Income Distribution (%)	Nil
Gross Distribution per Unit (sen)	Nil
Net Distribution per Unit (sen)	Nil
Total Expense Ratio (%)	0.92
Portfolio Turnover Ratio (times)	0.51

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 Fund returns are calculated from the investment date of the Fund, 27 March 2024.

Income Distribution / Unit Split

No unit splits or distribution were declared for the financial period ended 31 March 2024.

Income Distribution Breakdown

No income distribution was declared for the financial period ended 31 March 2024.

Fund Performance

Table 1: Performance of the Fund

	Since Commencement (27/3/23 - 31/3/24)
Fund	0.10%

Table 2: Average Total Return

	Since Commencement (27/3/23 - 31/3/24)
Fund	0.10%

Table 3: Annual Total Return

	FYE 2024 (27/3/23 - 31/3/24)
Fund	0.10%

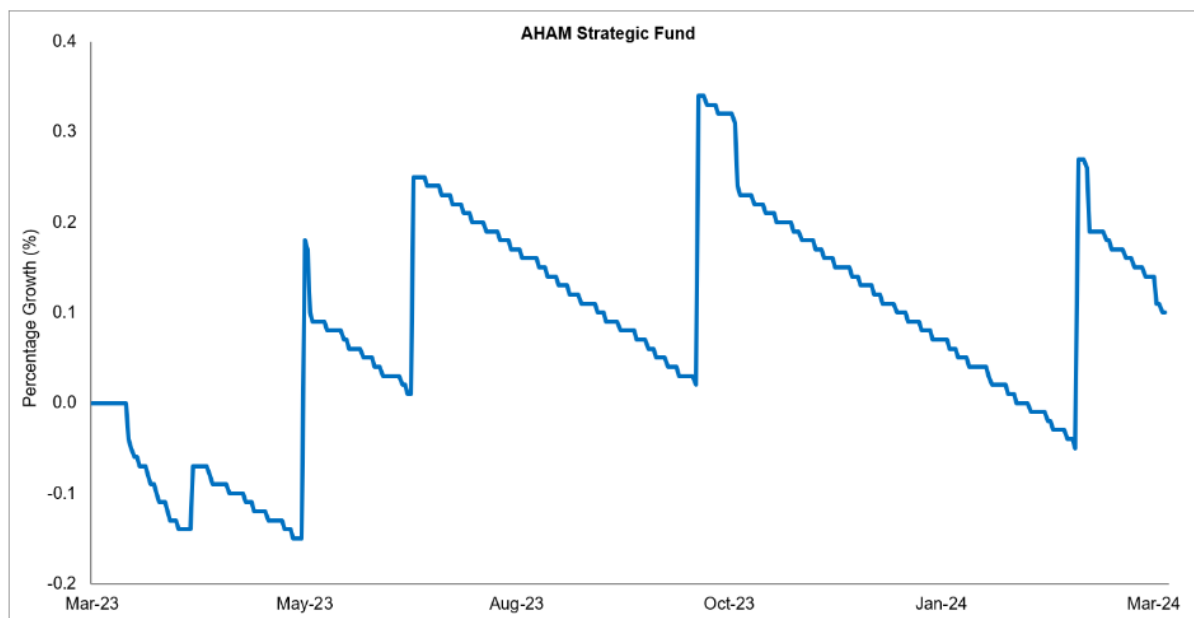
Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

MANAGER'S REPORT

Performance Review (27 March 2023 to 31 March 2024)

For the period 27 March 2023 to 31 March 2024 the Fund registered a 0.10% return. The Net Asset Value (NAV) per unit of the Fund as at 31 March 2024 was MYR1.0010 while the initial NAV per unit was MYR1.0000.

Figure 1: Movement of the Fund 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."

Asset Allocation

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

As at 31 March 2024, the Fund is 99.90% invested in unquoted local equity.

Strategies Employed

Over the period under review, the Fund maintained its strategy of employing a buy and hold strategy, remaining invested until the maturity date of the Fund.

Market Review

To provide a broad overview of markets over the financial year under review, on a total return basis the Standard and Poor's ("S&P") 500 Index returned 29.72% with the Morgan Stanley Capital International ("MSCI") World index slightly behind at 25.62%. Specific to the Asian region, MSCI AC Asia ex Japan Index saw a relatively weaker return of 3.66% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") fared better at 12.10% in Ringgit terms on a total return basis. Within bond markets, Bloomberg Barclays Global Aggregate Index gained 0.51% over the financial year under review while domestically, the bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.86%.

One of the most significant events of 2023 was the eruption of the Israel-Palestinian conflict in October, which led to a sharp depreciation of the Israeli shekel. Gold, viewed as a safe-haven asset surged significantly in the short term and investors' bullish sentiment towards oil also intensified from concern over a disruption to oil supplies in the Middle East, a major oil-producing region. The strained banking sector in United States triggered by the collapse of Silicon Valley Bank ("SVB") weighed heavily on investors sentiments. 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 United States banks were caught also caught in the turmoil as concerns spread.

Global financial markets confounded gloomy expectations in 2023. Despite a lacklustre start to the year, even prolonging to the second half of 2023, the stock market eventually rallied, bonds reversed heavy losses made early in the year as recession fears were replaced by increasing confidence that an economic soft landing would be achieved. The rally began in November as Fed chair, Jerome Powell fanned hopes that borrowing costs had peaked. Entering 2024, United States equities started the year on a strong note to the surprise of investors, underpinned by robust economic indicators that fortified the case for a soft landing. The gains were also supported by good corporate earnings, including from the top technology names of the market.

Asia ex Japan equities experienced a mix of ups and downs over the financial year, reflecting the volatile nature of the global market landscape. The financial year commenced with a negative performance in the second quarter of 2023, marked by declines in Chinese equities as the country's economic rebound post pandemic began to slow. Despite this, markets in India, South Korea, and Taiwan saw gains, fueled by factors such as foreign inflows and investor enthusiasm for AI related stocks. The challenges persisted through to the second half of 2023 with concerns over the Chinese economy and global economic growth weighing on investor sentiment across the region. Chinese stocks faced sharp declines amid doubts about government stimulus measures, while markets in Hong Kong, Taiwan, and South Korea also witnessed significant downturns. However, as hopes of stable United States interest rates renewed investor appetite for risk assets the outlook improved in the final quarter of 2023. While Chinese stocks continued to struggle, markets in Taiwan, South Korea, and India saw robust growth, driven by factors such as technology stocks and chipmakers. Other markets in the region also achieved positive growth, albeit more modestly. Looking at 2024, markets saw positive momentum carried into the first quarter, with Asia ex Japan equities achieving modest gains. Despite ongoing concerns, particularly regarding China's economic outlook and geopolitical tensions, markets in Taiwan, India, and the Philippines performed strongly. On the flip side, challenges persisted in markets such as Hong Kong, Thailand, and China, where share prices ended the quarter in negative territory.

Within Malaysia, several policy announcements made by the government in July 2023 caught the attention of investors as markets started to gain. These positive sentiments lifted foreign investors' confidence as they poured into local equities. They include the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap ("NETR") which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the NETR as well as the New Industrial Masterplan. The unveiling of Budget 2024 in October 2023 also helped shed light on the government's policies and laid down the groundwork for the government's path to fiscal consolidation. According to the Budget, the government aims to narrow the fiscal deficit from 5.0% to 4.3% in 2024 in line with its broader policy objective to bring it down to 3.10% by 2026. Towards the end of the financial year, the benchmark KLCI surged with Johor-focused names taking the spotlight following the installation of the new Yang Di-Pertuan Agong.

Investment Outlook

Malaysia's insurance sector remains dominated by the life insurance industry, which accounts for over 70% of the industry's premiums. Historically, the life insurance penetration rate in Malaysia has been lower than that of advanced countries within the Asia Pacific. However, it remains above that of other emerging nations such as Indonesia, the Philippines, and Vietnam.

Driven by growing financial awareness and improving literacy rates in the country, we expect the Malaysian life insurance sector to be well-positioned for future growth despite the robust regulatory framework. Furthermore, continuous implementation of government initiatives is expected to improve affordability of life insurance schemes in the country. We anticipate the life insurance industry to achieve a steady compound annual growth rate of 5%-6% between 2024 and 2029.

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

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 period under review.

Changes Made To the Fund's Information Memorandum

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

TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF AHAM STRATEGIC FUND (“Fund”)

We have acted as Trustee of the Fund for the financial period 13 March 2023 (Date of Launch) - 31 March 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.

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
29 May 2024

AHAM STRATEGIC FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH)
TO 31 MARCH 2024**

AHAM STRATEGIC FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH)
TO 31 MARCH 2024**

CONTENTS	PAGE (S)
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
MATERIAL ACCOUNTING POLICY INFORMATION	5 - 10
NOTES TO THE FINANCIAL STATEMENTS	11 - 22
STATEMENT BY THE MANAGER	23
INDEPENDENT AUDITORS' REPORT	24 - 27

AHAM STRATEGIC FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

	<u>Note</u>	Financial period from 13.3.2023 (date of launch) to <u>31.3.2024</u> RM
INVESTMENT INCOME		
Other income	4	572,363
		<hr/> 572,363 <hr/>
EXPENSES		
Management fee	5	(353,601)
Trustee fee	6	(18,241)
Fund accounting fee	7	(12,996)
Auditors' remuneration		(9,500)
Tax agent's fee		(3,500)
Other expenses		(551)
		<hr/> (398,389) <hr/>
NET PROFIT BEFORE TAXATION		173,974
Taxation	8	(128,971)
		<hr/>
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		45,003 <hr/> <hr/>
Net profit after taxation is made up of the following:		
Realised amount		45,003 <hr/> <hr/>

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

AHAM STRATEGIC FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	<u>Note</u>	As at <u>31.3.2024</u> RM
ASSETS		
Cash and cash equivalents		170,749
Financial asset at fair value through profit or loss	9	44,084,080
TOTAL ASSETS		<u>44,254,829</u>
LIABILITIES		
Amount due to Manager		85,560
Amount due to Trustee		4,388
Fund accounting fee		3,357
Auditors' remuneration		9,500
Tax agent fee		3,500
Tax payable		18,971
Other payables and accruals		500
TOTAL LIABILITIES		<u>125,776</u>
NET ASSET VALUE OF THE FUND		<u>44,129,053</u>
EQUITY		
Unitholders' capital		44,084,050
Retained earnings		45,003
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>44,129,053</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>44,084,080</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0010</u>

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

AHAM STRATEGIC FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 13 March 2023 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	45,003	45,003
Movement in unitholders' capital:			
Creation of units arising from applications	44,184,000	-	44,184,000
Cancellation of units	(99,950)	-	(99,950)
Balance as at 31 March 2024	<u>44,084,050</u>	<u>45,003</u>	<u>44,129,053</u>

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

AHAM STRATEGIC FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

	Financial period from 13.3.2023 (date of launch) to <u>31.3.2024</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Purchase of investments	(44,084,080)
Other income received	572,363
Management fee paid	(268,041)
Trustee fee paid	(13,853)
Fund accounting fee paid	(9,639)
Payment for other fees and expenses	(51)
Tax paid	(110,000)
	<hr/>
Net cash flows used in operating activities	(43,913,301)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from creation of units	44,184,000
Payments for cancellation of units	(99,950)
	<hr/>
Net cash flows generated from financing activities	44,084,050
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	170,749
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH	-
	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	170,749
	<hr/> <hr/>

Cash and cash equivalents as at 31 March 2024 comprise of bank balances.

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

AHAM STRATEGIC FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 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 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 H.

- (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 STRATEGIC FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 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

Realised gains and losses on settlement of unquoted equities

For unquoted equities, 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 a weighted average cost basis.

C TAXATION

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

D FUNCTIONAL AND PRESENTATION CURRENCY

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES

- (i) Classification

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

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

AHAM STRATEGIC FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

The contractual cash flows of the Fund's debt securities are solely payments of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments 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 fund accounting fee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

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

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

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

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

AHAM STRATEGIC FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

(iii) Impairment

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

AHAM STRATEGIC FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Write-off

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

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

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances.

G 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 unit holder 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 unit holders with the total number of outstanding units.

AHAM STRATEGIC FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

H CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

Fair value of unquoted equities

The Fund invests in unquoted equities that are not quoted in active markets. Fair value of such instrument are determined by using valuation techniques set out in Note 3 of the financial statements.

I REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised increase or decrease in net assets attributable to unitholders 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 STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name AHAM Strategic Fund (the “Fund”) pursuant to the execution of a Deed dated 6 March 2023 (the “Deed”) entered into between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 13 March 2023 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. The tenure of the Fund will be 5 years, subject to 2 additional consecutive 5-years extensions at the end of the fifth year, or such other date determined by the Manager’s sole and absolute discretion and notified to unitholders via communicate.

The first 5-years extension is at Manager’s sole and absolute discretion and the second 5-years extension would require the approval of simple majority of the unitholders at unitholders’ meeting duly convened and held in accordance with the Deed.

The Fund may invest in any of the following investments:

- (a) Equities;
- (b) Debentures including debt securities and hybrid securities such as loan stocks;
- (c) Money market instruments;
- (d) Deposits; and
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the investment objective of the Fund and permitted by the SC.

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

The main objective of the Fund is to provide capital growth throughout the tenure of the Fund.

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 29 May 2024.

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 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</u> RM
<u>As at 31.3.2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents		170,749	-	170,749
Unquoted equities	8	-	44,084,080	44,084,080
		<u>170,749</u>	<u>44,084,080</u>	<u>44,254,829</u>
<u>Financial liabilities</u>				
Amount due to Manager		85,560	-	85,560
Amount due to Trustee		4,388	-	4,388
Fund accounting fee		3,357	-	3,357
Auditor's remuneration		9,500	-	9,500
Tax agent's fee		3,500	-	3,500
Other payables		500	-	500
		<u>106,805</u>	<u>-</u>	<u>106,805</u>

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

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

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

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

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio. The Fund is not exposed to any price risk as at 31 March 2024.

(b) Interest rate risk

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

The Fund is not exposed to interest rate risk as at 31 March 2024.

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.

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

	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>As at 31.3.2024</u>		
Financial Services - AAA	170,749	170,749
	<u> </u>	<u> </u>

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 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 and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>As at 31.3.2024</u>			
Amount due to Manager	85,560	-	85,560
Amount due to Trustee	4,388	-	4,388
Fund accounting fee	3,357	-	3,357
Auditors' remuneration	-	9,500	9,500
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	500	500
	<u>93,305</u>	<u>13,500</u>	<u>106,805</u>

Capital risk

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

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.

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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

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

(i) Fair value hierarchy

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

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

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets (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>As at 31.3.2024</u>				
Financial asset at fair value through profit or loss:				
- unquoted equities	-	-	44,084,080	44,084,080

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Level 3 instruments

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. Level 3 instruments include unquoted equities. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

The Fund applied the income approach in arriving at the fair value of its unquoted equities. As at 31 March 2024, the fair value of the unquoted shares were arrived based on the net present value of estimated future cash flows from the underlying investment. The net present value model uses market observable input factors such as interest rate levels and combine them with unobservable inputs such as the target company's cost of capital and / or illiquidity cost arising from unlisted securities and regulatory risks affecting tradability of securities in deriving the fair value of the unquoted equity security. An increase in the cost of capital or illiquidity cost would lead to a decrease in the fair value of the unquoted equity security and vice versa.

Level 3 valuations are reviewed on a regular basis by the Manager. The Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The Manager may, when the need arises, onboard an independent third-party valuer to perform a valuation assessment on the unquoted equity security.

The following table represents the movements in Level 3 instruments for the financial period from 13 March 2023 to 31 March 2024:

	<u>RM</u>
Opening balance	-
Purchases	44,084,080
Sales	-
Net change in fair value of financial assets at fair value through profit or loss	-
Closing balance	<u>44,084,080</u>

There was no transfer between levels of fair value hierarchy during the financial period ended 31 March 2024.

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

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

4 OTHER INCOME

In accordance with the Shareholders' Agreement dated 27 March 2023, FWD Management Holdings Limited ("FWD") undertakes to pay the Fund an amount equal to 0.97% of the Fund's Total Fund Size or such other amount as may be agreed in writing between FWD and the Fund, on a quarterly basis.

5 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 3.00% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial period from 13 March 2023 (date of launch) to 31 March 2024, management fee is recognised at a rate of 0.78% per annum on the NAV of the Fund, calculated on a daily basis.

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

6 TRUSTEE FEE

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

For the financial period from 13 March 2023 (date of launch) to 31 March 2024, the Trustee fee is recognised at a rate of 0.04% per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

7 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM12,996 during the financial period.

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

8 TAXATION

	Financial period from 13.3.2023 (date of launch) to <u>31.3.2024</u> RM
Current taxation	128,971

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

	Financial period from 13.3.2023 (date of launch) to <u>31.3.2024</u> RM
Net profit before taxation	173,974
Tax at Malaysian statutory rate of 24%	41,754
Tax effects of:	
Expenses not deductible for tax purposes	8,349
Restrictions on tax deductible expenses for Wholesale Funds	78,868
Tax expense	128,971

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

9 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <u>31.3.2024</u> RM
Financial asset at fair value through profit or loss: – unquoted equities– local	44,084,080

(a) Unquoted equities – local

(i) Unquoted equities – local as at 31 March 2024 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
FMH Capricorn Holdings Sdn Bhd	44,084,080	44,084,080	44,084,080	99.90
Total unquoted equity security – local	<u>44,084,080</u>	<u>44,084,080</u>	<u>44,084,080</u>	<u>99.90</u>
Accumulated unrealised gain on unquoted equity security – local		-		
Total unquoted equity security – local		<u>44,084,080</u>		

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

10 NUMBER OF UNITS IN CIRCULATION

	As at <u>31.3.2024</u> No. of units
At the date of launch	-
Creation of units arising from applications	44,184,000
Cancellation of units	<u>(99,920)</u>
At the end of the financial period	<u><u>44,084,080</u></u>

11 TRANSACTIONS WITH BROKERS

There is no broker involved during the financial period.

12 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
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

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

12 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>
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Directors of AHAM Asset Management Berhad	Directors of the Manager

As at 31 March 2024, there were no units held by the Director and any parties related to the Manager.

13 TOTAL EXPENSE RATIO (“TER”)

	Financial period from 13.3.2023 (date of launch) to 31.3.2024 %
TER	0.92

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM43,346,299.

AHAM STRATEGIC FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 13 MARCH 2023 (DATE OF LAUNCH) TO 31 MARCH 2024 (CONTINUED)

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period from 13.3.2023 (date of launch) to <u>31.3.2024</u>
PTR (times)	<u>0.51</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM44,084,080

total disposal for the financial period = RM Nil

15 COMPARATIVES

There are no comparatives figures as this is the first set of annual financial statements prepared since the launch of the Fund.

16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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 STRATEGIC FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 22 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 March 2024 and of its financial performance, changes in equity and cash flows for the financial period from 13 March 2023 (date of launch) to 31 March 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
29 May 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM STRATEGIC FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Strategic Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2024, and of its financial performance and its cash flows for the financial period from 13 March 2023 (date of launch) to 31 March 2024 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 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 22.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors’ report thereon

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

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

*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 STRATEGIC FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM STRATEGIC FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM STRATEGIC FUND
(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
29 May 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