

**SEMI-ANNUAL REPORT**  
30 September 2023

**AHAM Flexible  
Maturity Income  
Fund 19** (Formerly  
known as Affin Hwang  
Flexible Maturity  
Income Fund 19)

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

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

# AHAM FLEXIBLE MATURITY INCOME FUND 19 (FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)

Semi-Annual Report and Unaudited Financial Statements For the  
6 Months Financial Period Ended 30 September 2023

<b>Contents</b>	<b>Page</b>
FUND INFORMATION.....	III
FUND PERFORMANCE DATA.....	IV
MANAGER'S REPORT.....	VI
TRUSTEE'S REPORT.....	XIII
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

## FUND INFORMATION

Fund Name	AHAM Flexible Maturity Income Fund 19 (Formerly known as Affin Hwang Flexible Maturity Income Fund 19)
Fund Type	Income
Fund Category	Fixed Income (close-ended)
Investment Objective	The Fund aims to provide income through investments in fixed income instruments
Duration of the Fund	Five (5) years close-ended Fund
Termination Date	10 September 2025
Benchmark	5-years Malayan Banking Berhad fixed deposit rate as at investment date
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis

## FUND PERFORMANCE DATA

Category	As at 30 Sep 2023 (%)	As at 30 Sep 2022 (%)	As at 30 Sep 2021 (%)
Portfolio Composition			
Unquoted fixed income securities – local	16.15	6.21	-
Unquoted fixed income securities – foreign	83.40	94.43	98.34
Cash & cash equivalent	0.45	-0.64	1.66
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	175.950	182.428	230.530
NAV per Unit (RM)	0.7966	0.8118	1.0185
Unit in Circulation (million)	220.882	224.734	226.339
Highest NAV	0.8485	0.9310	1.0715
Lowest NAV	0.7946	0.8118	1.0145
Return of the fund (%)	-0.33	-10.07	1.16
- Capital Return (%)	-5.40	-11.24	-2.25
- Income Return (%)	5.36	1.32	3.49
Gross Distribution per Unit (sen)	4.260	1.120	3.605
Net Distribution per Unit (sen)	4.260	1.120	3.605
Total Expense Ratio (%) <sup>1</sup>	0.14	0.14	0.14
Portfolio Turnover Ratio (times) <sup>2</sup>	0.24	0.25	0.12

### **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

<sup>1</sup> The TER of the Fund was unchanged during the period under review

<sup>2</sup> The PTR of the Fund decreased due to a lower trading activities of the Fund during the period under review

## Income Distribution / Unit Split

The Net Asset Value per Unit prior and subsequent to the distributions was as follows:

Cum-Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
9-Sep-21	10-Sep-21	1.0695	0.0361	1.0335
11-Sep-22	12-Sep-22	0.8591	0.0112	0.8492
10-Sep-23	11-Sep-23	0.8371	0.0426	0.7946

No unit split was declared for the financial period ended 30 September 2023.

## Breakdown of Distribution

Ex date	Class	Income (per Unit) (RM)	Income (%)	Capital (per unit) (RM)	Capital (%)
11-Sep-23	RM	0.0426	100.00	-	-

## Fund Performance

Table 1: Performance of the Fund

	6 Months (1/4/23 - 30/9/23)	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	Since Commencement (10/9/20 - 30/9/23)
Fund	(0.33%)	3.39%	(11.62%)	(12.00%)
Benchmark	1.05%	2.10%	6.43%	6.56%
Outperformance	(1.38%)	1.29%	(18.05%)	(18.56%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	Since Commencement (10/9/20 - 30/9/23)
Fund	3.39%	(4.03%)	(4.09%)
Benchmark	2.10%	2.10%	2.10%
Outperformance	1.29%	(6.13%)	(6.19%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/4/22 - 31/3/23)	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (10/9/20 - 31/3/21)
Fund	(6.71%)	(9.16%)	4.19%
Benchmark	2.10%	2.10%	1.16%
Outperformance	(8.81%)	(11.26%)	3.03%

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.***

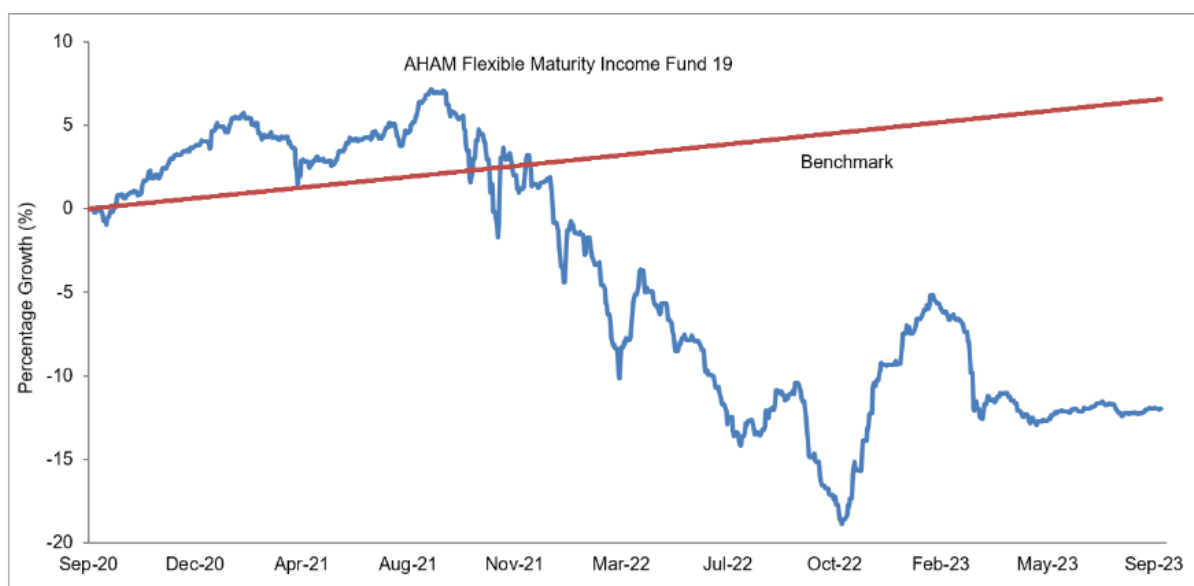
## MANAGER'S REPORT

### Performance Review (1 April 2023 to 30 September 2023)

For the period 1 April 2023 to 30 September 2023, the Fund registered a -0.33% return compared to the benchmark return of 1.05%. The Fund thus underperformed the Benchmark by 1.38%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2023 was RM0.7966 while the NAV as at 31 March 2023 was RM0.8421. During the period under review, the Fund has declared an income distribution of RM0.0426 per unit.

Since commencement, the Fund has registered a return of -12.00% compared to the benchmark return of 6.56%, underperforming by 18.56%.

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



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

### Asset Allocation

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

As at 30 September 2023, the asset allocation of the Fund stood at 99.55% of the Fund's NAV in fixed income securities while the remaining was held in cash and cash equivalent.

### Strategies Employed

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

At the inception of the Fund, it had approximately 15% exposure to China property bonds. The Manager took proactive measures starting from 2022, actively reducing holdings in the China property sector. By 2023, a strategic decision was made to exit entirely from China property bonds. Crucially, strategic divestments were made, including the complete exit from core holdings such as Country Garden and CIFI Holdings in the first half of 2023. These decisions were made during a period of relatively favourable market sentiment. Presently, the remaining position, that is in Times Property, is part of a planned exit strategy. The current exposures now stand minimally at less than 0.3% of NAV.

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

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

The Flexible Maturity Income Fund series have historically employed a more passive buy and hold to maturity strategy. The Manager would invest in a portfolio of bond with maturities that closely match the respective funds and monitor the credit fundamentals of these issuers throughout the life of the funds. However, given the heightened volatility and unprecedented rate hikes, the Manager has taken a more active style of investing, including progressively rebalancing the portfolios and focus on trading in new and existing issuances to improve the return potential.

## **Market Review**

The past three years have indeed presented unprecedented challenges for the global fixed income market. The aftermath of the Covid-19 pandemic, coupled with supply chain disruptions and geopolitical events, sparked a period of high inflation and robust global growth. In response, central banks globally adopted an aggressive stance, leading to one of the most severe interest rate hike cycles in history. The US Federal Reserve, for instance, raised interest rates by over 500 basis points (bps) from March 2022. Moreover, central banks started Quantitative Tightening, reining in their balance sheets. These measures triggered market adjustments, causing bond prices to decline, and resulting in mark-to-market losses on portfolio holdings. Since January 2020, US Treasuries witnessed a negative return of -17%, while global Investment Grade bonds experienced a return of -22%.\* Over the past 6 months up till end September, the Federal Reserve had increased interest rates by 50 bps. On a positive note, the Federal Reserve has kept interest rates unchanged over the past 2 meetings in September and November. Some notable key economic developments contributing to this was the gradual softening in the US labour market coupled with lower inflationary data.

In the Asian credit landscape, the default crisis among China's property developers proved especially impactful. Majority of private developers defaulted on their bonds obligations, including offshore bonds. What initially began with Evergrande's default spread rapidly, affecting even high-quality developers. This situation led to a significant risk-off sentiment and widespread credit spread widening, not only in the High Yield sector but also among Investment Grade names in the same industry. Since January 2020, USD Asian High Yield bonds recorded a return of -47%\*\* . Over the reporting period, overall home sales data in China had remained soft as policy easing measures in the China property space were insufficient to lift home-buyer sentiment.

Additionally, other challenges surfaced, such as the write-off of Credit Suisse Additional Tier 1 (AT1) securities by the Swiss regulator, FINMA, in March 2023. The Fund had 2% exposure to Credit Suisse AT1, which further impacted the portfolios.

In Malaysia, Bank Negara Malaysia has continuously kept the Overnight Policy Rate unchanged at 3% since the last hike seen in May 2023, supported by the relatively benign inflation at around 2%. This has translated to relatively resilient local bond market yields over the period under review.

Lastly, the Malaysian Government implemented the foreign sourced income tax in 2022. As a transition measure, the foreign sourced income received in Malaysia from 1 January 2022 until 30 June 2022 was to be

taxed at a 3% rate on a gross basis. The foreign sourced income received in Malaysia from 1 July 2022 was to be subject to tax based on the prevailing income tax rate which currently stands at 24%. This foreign sourced income tax on coupon and interest received affected the Fund's performance.

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

\* Source: Bank of America Global Research (As of September 30, 2023)

\*\* Source: iShares Barclays Capital USD Asia HY Bond Index (As of September 30, 2023)

## **Investment Outlook**

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

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

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

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

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

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

## **State of Affairs of the Fund**

Following the disclosure of State of Affairs in the previous annual report of the Fund, financial year ended 31 March 2023, there is neither any additional 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 period under review, no soft commission was received by the Manager on behalf of the Fund.

### **Cross Trade**

Cross trade transactions have been carried out during the reported period and the compliance and risk oversight committee of the Fund has reviewed that such transaction are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a fair value basis.

### **Securities Financing Transactions**

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

### **Changes Made To the Fund's Prospectus**

A Supplemental Deed was made available effective 28 February 2023, reflecting various changes to the Fund.

In general, the amendments made are to reflect the following:

1. Requirements of Guidelines on Unit Trust Funds (Revised: 28 November 2022) and Prospectus Guidelines for Collective Investment Schemes (Revised; 1 September 2022);
2. Change in the shareholding of AHAM which took effect on 29 July 2022, whereby AHAM Asset Management Berhad ("AHAM") ceased to be a subsidiary of Affin Hwang Investment Bank and the Affin Banking Group. AHAM's ultimate major shareholders now, is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners;
3. Amendments made to the Principal Deed which was registered and lodged with the SC on 16 January 2023 ("Supplemental Deed").

#### **1. Change of Name of the Fund**

<b>Existing</b>	<b>Proposed</b>
Affin Hwang Flexible Maturity Income Fund 19	<u>AHAM</u> Flexible Maturity Income Fund 19

#### **2. Change in Definition of Business Days**

<b>Existing</b>	<b>Proposed</b>
A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.	A day on which Bursa Malaysia <u>and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading</u> . The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.

### 3. Change in Investment Restrictions and Limits

Existing	Proposed
<p>a) The aggregate value of the Fund's investments in debentures, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer or institution shall not exceed 25% of the Fund's NAV;</p> <p>b) The value of the Fund's investments in debentures issued by any single issuer shall not exceed 20% of the Fund's NAV;</p> <p>c) The single issuer limit in (b) may be increased to 30% if the debentures are rated by RAM, MARC, Standard &amp; Poor's, Moody's or Fitch to be of the best quality and offer highest safety for timely payment of interest and principal (i.e. AAA by RAM or its equivalent rated by other rating agencies);</p> <p>d) For the purpose of (a), where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investments shall not exceed 30% of the Fund's NAV;</p> <p>e) The value of the Fund's investments in debentures issued by any one group of companies shall not exceed 30% of the Fund's NAV;</p> <p>f) The aggregate value of the Fund's investments in debentures which are rated below investment grade i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies, must not exceed 40% of the Fund's NAV;</p> <p>g) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV;</p> <p>h) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;</p> <p>i) For investments in derivatives:-</p> <ul style="list-style-type: none"> <li>• The exposure to the underlying assets must not exceed the investment spread limits stipulated in the Schedule B of the Guidelines; and</li> <li>• The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</li> </ul> <p>j) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to:-</p> <ul style="list-style-type: none"> <li>• Debentures traded on an OTC market; and</li> <li>• Structured products;</li> </ul> <p>k) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;</p> <p>l) The Fund's investments in debentures shall not exceed 20% of that issued by any single issuer;</p> <p>m) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer – This limit does not apply to money market instruments that do not have a predetermined issue size;</p> <p>n) The limits and restrictions on the permitted investments set out in above does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia as stipulated in Schedule A of the Guidelines;</p> <p>o) The issuers of the OTC derivatives must be licensed financial institutions with a minimum long term rating of AA by RAM or its equivalent rated by other rating agencies; and</p> <p>p) Any other investment limits or restrictions imposed by the Guidelines applicable to the Fund.</p>	<p>(a) <u>The Fund's assets must be relevant and consistent with the investment objective of the Fund;</u></p> <p>(b) <u>The aggregate value of the Fund's investments in bonds that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit").</u></p> <p>(c) The value of the Fund's placements in deposits with any single financial institution shall not exceed 20% of the Fund's NAV ("<u>Single Financial Institution Limit</u>");</p> <p>(d) <u>The Single Financial Institution Limit does not apply to placements of deposits arising from:</u></p> <ul style="list-style-type: none"> <li>(i) <u>Subscription monies received prior to the commencement of investment by the Fund;</u></li> <li>(ii) <u>Liquidation of investments prior to the termination of the fund, where the placement of deposits with various financial institutions would not be in the best interests of unit holders; or</u></li> <li>(iii) <u>Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of unit holders.</u></li> </ul> <p>(e) For investments in derivatives/<u>embedded derivatives</u>, the exposure to the underlying assets of that derivative/<u>embedded derivative</u> must not exceed the investment <u>restrictions or limitations applicable to such underlying assets and investments</u> stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter- party shall not exceed 10% of the Fund's NAV;</p> <p>(f) The Fund's <u>global</u> exposure from derivatives position shall not exceed the Fund's NAV at all times;</p> <p>(g) The aggregate value of the Fund's investments in <u>or exposure to, a single issuer through bonds</u>, money market instruments, deposits, <u>underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives</u> shall not exceed 25% of the Fund's NAV ("<u>Single Issuer Aggregate Limit</u>"). <u>In determining the Single Issuer Aggregate Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included</u> in the calculation;</p> <p>(h) The value of the Fund's investments in bonds <u>and money market instruments</u> issued by any single issuer must not exceed 20% of the Fund's NAV ("<u>Single Issuer Limit</u>"). <u>In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included</u> in the calculation;</p> <p>(i) The Single Issuer Limit above may be increased to 30% if the bonds are rated by any <u>Malaysian</u> or global rating agency to <u>have the highest long-term credit rating;</u></p> <p>(j) <u>Where the Single Issuer Limit is increased to 30%</u></p>
<p>The abovementioned restrictions and limits will be complied with</p>	

at all times based on the up-to-date value of the Fund, and the value of its investments and instruments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or payment made from the Fund).

We will not make any further acquisitions to which the relevant limit is breached and within a reasonable period of not more than three (3) months from the date of the breach, we will take all necessary steps and actions to rectify the breach.

pursuant to above, the Single Issuer Aggregate Limit may be raised to exceed 30% of the Fund's NAV;

- (k) The value of the Fund's investments in bonds and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV "(Group Limit)". In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation;
- (l) The Single Issue Limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;  
Where the Single Issuer Limit is increased to 35% of the Fund's NAV the Single Issuer Aggregate Limit may be raised, subject to the Group Limit not exceeding 35% of the Fund's NAV;
- (m) The Fund's investments in transferable securities (other than bonds) must not exceed 10% of the securities issued by any single issuer;
- (n) The Fund's investments in bonds must not exceed 20% of the bonds issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of bonds in issue cannot be determined;
- (o) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. *This does not apply to money market instruments that do not have a pre-determined issue size;*
- (p) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to any laws and regulations applicable to the Fund.

Please note that the above restrictions and limits do not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.

#### 4. Change in the Repurchase Proceeds Payout Period

Existing	Proposed
You will be paid within ten (10) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.	You will be paid within <u>seven (7) Business Days</u> from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

#### 5. Inserted Liquidity Risk Management

Existing	Proposed
Nil.	<p>We have established liquidity risk management policies to enable us to <u>identify, monitor and manage the liquidity risk of the Fund in order to meet the repurchase requests from the Unit Holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. Such policies take into account, amongst others, the asset class of the Fund and the redemption policy of the Fund. To manage the liquidity risk, we have put in place the following procedures:</u></p> <p>a) <u>Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity profile;</u></p> <p>b) <u>Daily monitoring of the Fund's net flows and periodic liquidity stress testing of the Fund's assets against repurchase requests during normal and adverse market conditions are performed as pre-emptive measures in tracking the Fund's liquidity status. This will ensure that we are prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate the potential risks in meeting Unit Holders' repurchase requests; and</u></p> <p>c) <u>Suspension of repurchase requests from the Unit Holders under exceptional circumstances where the market value or fair value of a material portion of the Fund's assets cannot be determined. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will only be processed on the next Business Day once the suspension is lifted. That said, the action to suspend repurchase requests from the Unit Holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.</u></p>

#### 6. Inserted Suspension of Dealing in Units

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

## **TRUSTEE’S REPORT**

### **TO THE UNITHOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 19 (FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19) (“Fund”)**

We have acted as Trustee of the Fund for the financial period ended 30 September 2023 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 Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

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

**NORHAYATI BINTI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
15 November 2023

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

CONTENTS	PAGE (S)
UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION	2
UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 - 11
NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS	11 - 45
STATEMENT BY THE MANAGER	46

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	<u>Note</u>	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from financial assets at amortised cost		50,502	7,936
Interest income from financial assets at fair value through profit or loss		4,436,039	5,839,512
Net (loss)/gain on foreign currency exchanges		(1,088,147)	400,885
Net loss on forward foreign currency contracts at fair value through profit or loss	11	(8,267,197)	(9,415,651)
Net gain/(loss) on financial assets at fair value through profit or loss	9	5,334,428	(16,835,340)
		<u>465,625</u>	<u>(20,002,658)</u>
<b>EXPENSES</b>			
Management fee	4	(184,902)	(196,733)
Trustee fee	5	(36,981)	(39,346)
Fund accounting fee	6	(6,500)	-
Auditors' remuneration		(4,101)	(4,136)
Tax agent's fee		(1,793)	(1,810)
Other expenses		(28,506)	(36,817)
		<u>(262,783)</u>	<u>(278,842)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		202,842	(20,281,500)
Taxation	7	(849,089)	(371,106)
<b>NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<u>(646,247)</u>	<u>(20,652,606)</u>
Net loss after taxation is made up of the following:			
Realised amount		(19,570,948)	(2,124,169)
Unrealised amount		18,924,701	(18,528,437)
		<u>(646,247)</u>	<u>(20,652,606)</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.



**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	10	3,529,519	1,763,632
Financial assets at fair value through profit or loss	9	175,154,262	183,611,688
Forward foreign currency contracts at fair value through profit or loss	11	1,456,475	3,078,874
Tax recoverable		1,425,722	-
<b>TOTAL ASSETS</b>		<u>181,565,978</u>	<u>188,454,194</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	11	5,567,252	5,956,751
Amount due to dealer		161	162
Amount due to Manager - management fee		29,372	31,367
Amount due to Trustee		5,874	6,273
Fund accounting fee		1,083	-
Auditors' remuneration		4,101	4,136
Tax agent's fee		5,293	5,310
Tax payable		-	19,297
Other payables and accruals		2,746	2,545
<b>TOTAL LIABILITIES</b>		<u>5,615,882</u>	<u>6,025,841</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>175,950,096</u>	<u>182,428,353</u>
<b>EQUITY</b>			
Unitholders' capital		221,673,607	224,856,856
Accumulated losses		(45,723,511)	(42,428,503)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>175,950,096</u>	<u>182,428,353</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<u>220,882,000</u>	<u>224,734,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.7966</u>	<u>0.8118</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 April 2023	222,561,975	(35,660,662)	186,901,313
Total comprehensive loss for the financial period	-	(646,247)	(646,247)
Distribution (Note 8)	-	(9,416,602)	(9,416,602)
Movement in unitholders' capital:			
Cancellation of units	(888,368)	-	(888,368)
Balance as at 30 September 2023	<u>221,673,607</u>	<u>(45,723,511)</u>	<u>175,950,096</u>
Balance as at 1 April 2022	225,665,578	(19,255,606)	206,409,972
Total comprehensive loss for the financial period	-	(20,652,606)	(20,652,606)
Distribution (Note 8)	-	(2,520,291)	(2,520,291)
Movement in unitholders' capital:			
Cancellation of units	(808,722)	-	(808,722)
Balance as at 30 September 2022	<u>224,856,856</u>	<u>(42,428,503)</u>	<u>182,428,353</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	6 months financial period ended <u>Note</u> <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	31,177,278	40,925,516
Purchase of investments	(32,473,979)	(52,684,460)
Interest received	4,204,453	4,647,689
Management fee paid	(188,188)	(199,619)
Trustee fee paid	(37,639)	(39,924)
Fund accounting fee paid	(6,500)	-
Payment for other fees and expenses	(36,505)	(44,493)
Net realised loss on foreign currency exchange	5,194,309	(1,840,462)
Realised gain on forward foreign currency contracts	(1,219,789)	2,099,745
Tax paid	(2,125,000)	(350,000)
	<hr/>	<hr/>
Net cash flows generated from/(used in operating activities)	4,488,440	(7,486,008)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments for cancellation of units	(888,368)	(808,722)
Payment for distribution	(9,416,602)	(2,520,291)
	<hr/>	<hr/>
Net cash flows used in financing activities	(10,304,970)	(3,329,013)
	<hr/>	<hr/>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5,816,530)	(10,815,021)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(1,182,711)	192,150
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	10,528,760	12,386,503
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	10 <u>3,529,519</u>	<u>1,763,632</u>

The accompanying summary of significant accounting policies and notes to the unaudited semi-annual financial statements form an integral part of these financial statements.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

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 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 L.

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘Onerous contracts - cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

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

(b) Standards and amendments that have been issued 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.
- 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.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**B INCOME RECOGNITION**

Interest income

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

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

Realised gains and losses on sale of investments

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

**C TAXATION**

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

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 income 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.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**D DISTRIBUTIONS**

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.

**F FOREIGN CURRENCY TRANSLATION**

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

**G FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

(i) Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely payment 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 that represent SPPI.

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

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

(ii) Recognition and measurement

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

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

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

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

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

Unquoted fixed income securities including money market instrument denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission (“SC”) as per the SC’s Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

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

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

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

The debtor meets 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
- the debtor is insolvent

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

Write-off

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

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



**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**H CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term deposits held in highly liquid investments 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.

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

Units are created and cancelled at 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 AMOUNT DUE FROM/(TO) DEALERS**

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

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

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

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**K DERIVATIVE FINANCIAL INSTRUMENTS**

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

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

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

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

**L 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.

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

**M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

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

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

**1 INFORMATION ON THE FUND**

The Unit Trust Fund was constituted under the name Affin Hwang Flexible Maturity Income Fund 19 (the "Fund") pursuant to the execution of a Deed dated 8 May as modified by a Supplemental Deed dated 16 January 2023 (the "Deed") entered into between AHAM Asset Management Berhad (the "Manager") and TMF Trustees Malaysia Berhad (the "Trustee"). The Fund has changed its name from Affin Hwang Flexible Maturity Income Fund 19 to AHAM Flexible Maturity Income Fund 19 as amended by the Supplemental Deed dated 16 January 2023.

The Fund commenced operations on 10 September 2020 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed or on maturity date of the Fund which falls on the fifth anniversary of the investment date or such earlier date in accordance with the provisions of the Deed or subject to the early maturity feature.

The Fund may invest in any of the following investments:

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

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

The main objective of the Fund is to provide income through investments in fixed income instruments.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 15 November 2023.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	3,529,519	-	3,529,519
Unquoted fixed income securities	9	-	175,154,262	175,154,262
Forward foreign currency contracts	11	-	1,456,475	1,456,475
Total		<u>3,529,519</u>	<u>176,610,737</u>	<u>180,140,256</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	5,567,252	5,567,252
Amount due to dealer		161	-	161
Amount due to Manager				
- management fee		29,372	-	29,372
Amount due to Trustee		5,874	-	5,874
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		4,101	-	4,101
Tax agent's fee		5,293	-	5,293
Other payables and accruals		2,746	-	2,746
Total		<u>48,630</u>	<u>5,567,252</u>	<u>5,615,882</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	1,763,632	-	1,763,632
Unquoted fixed income securities	9	-	183,611,688	183,611,688
Forward foreign currency contracts	11	-	3,078,874	3,078,874
Total		<u>1,763,632</u>	<u>186,690,562</u>	<u>188,454,194</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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>Financial liabilities</u>				
Forward foreign currency contracts	11	-	5,956,751	5,956,751
Amount due to dealer		162	-	162
Amount due to Manager				
- management fee		31,367	-	31,367
Amount due to Trustee		6,273	-	6,273
Auditors' remuneration		4,136	-	4,136
Tax agent's fee		5,310	-	5,310
Tax payable		19,297	-	19,297
Other payables and accruals		2,545	-	2,545
<b>Total</b>		<u>69,090</u>	<u>5,956,751</u>	<u>6,025,841</u>

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

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

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>2023</u> RM	<u>2022</u> RM
<b>Unquoted investments</b>		
Unquoted fixed income securities*	<u>175,154,262</u>	<u>183,611,688</u>

\*Includes interest receivable of RM2,155,469 (2022: RM3,301,382)

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 5.00% (2022: 1.00%) and decreased by 5.00% (2022: 1.00%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted securities.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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 5.00% (2022: 1.00%) and decreased by 5.00% (2022: 1.00%) 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 <u>tax/NAV</u> RM
<u>2023</u>		
-5%	164,348,853	(8,649,940)
0%	172,998,793	-
+5%	<u>181,648,733</u>	<u>8,649,940</u>
<u>2022</u>		
-1%	178,507,203	(1,803,103)
0%	180,310,306	-
+1%	<u>182,113,409</u>	<u>1,803,103</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 securities until maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

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

Investors should note that unquoted fixed income securities and money market instruments are subject to interest rate fluctuations.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Market risk (continued)

(b) Interest rate risk (continued)

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 2.00% (2022: 2.00%) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on (loss)/profit after tax/NAV</u>	
	<u>2023</u> RM	<u>2022</u> RM
+ 2% (2022: 2%)	(1,616,800)	(2,145,035)
- 2% (2022: 2%)	1,650,082	2,195,269

The Fund's exposure to the interest rate risk is mainly confined to short term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits 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 unfavorable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

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

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Australian Dollar	3,013,572	23,325	47,855	3,084,752
Chinese Yuan	-	-	182	182
Euro	15,567,640	1,433,150	1,208,027	18,208,817
Pound Sterling	-	-	1,065	1,065
Singapore Dollar	9,473,264	-	1,629,621	11,102,885
United States Dollar	118,686,018	-	483,371	119,169,389
	<u>146,740,494</u>	<u>1,456,475</u>	<u>3,370,121</u>	<u>151,567,090</u>
		Forward foreign currency <u>contracts</u> RM	Amount due to <u>dealer</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial liabilities</u>				
Australian Dollar		15,212	-	15,212
Singapore Dollar		641,192	161	641,353
United States Dollar		4,910,848	-	4,910,848
		<u>4,110,777</u>	<u>161</u>	<u>5,567,413</u>



**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar	2,156,313	20,112	48,579	2,225,004
Chinese Yuan	1,069,921	22,217	76,707	1,168,845
Euro	12,841,179	3,036,545	239,409	16,117,133
Pound Sterling	-	-	42,537	42,537
Singapore Dollar	10,217,872	-	124,513	10,342,385
United States Dollar	145,990,334	-	1,066,741	147,057,075
	<u>172,275,619</u>	<u>3,078,874</u>	<u>1,598,486</u>	<u>176,952,979</u>
			Forward foreign currency <u>contracts</u> RM	Total RM
<u>Financial liabilities</u>				
Singapore Dollar		39,918	162	40,080
United States Dollar		5,916,833	-	5,916,833
		<u>5,956,751</u>	<u>162</u>	<u>5,956,913</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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 respective historical volatility, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on (loss)/profit after tax/NAV RM
<u>2023</u>		
Australian Dollar	+/-10	+/- 306,954
Chinese Yuan	+/-10	+/- 18
Euro	+/-10	+/- 1,820,882
Pound Sterling	+/-10	+/- 107
Singapore Dollar	+/-10	+/- 1,046,153
United States Dollar	+/-10	<u>+/- 11,425,854</u>
<u>2022</u>		
Australian Dollar	+/-10	+/-222,500
Chinese Yuan	+/-10	+/-116,885
Euro	+/-10	+/-1,611,713
Pound Sterling	+/-10	+/-4,254
Singapore Dollar	+/-10	+/-1,030,231
United States Dollar	+/-10	<u>+/-14,114,024</u>

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.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Credit risk (continued)

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

For unquoted fixed income securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described in the Deed and SC's Guidelines on Unit Trust Funds.

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Total RM
<u>2023</u>				
Basic Materials				
- AA2	2,508,429	-	-	2,508,429
- Baa2	3,744,806	-	-	3,744,806
- Ba3	2,414,168	-	-	2,414,168
Consumer discretionary				
- AA1	7,782,073	-	-	7,782,073
- AA-	1,016,954	-	-	1,016,954
- Baa2	4,125,927	-	-	4,125,927
- Baa3	6,817,365	-	-	6,817,365
- BBB+	3,643,822	-	-	3,643,822
- BBB-	1,726,594	-	-	1,726,594
Energy				
- Baa1	4,490,702	-	-	4,490,702
Financials				
- AA2	-	405,460	-	405,460
- AA3	-	1,051,015	-	1,051,015
- AAA	-	-	3,529,519	3,529,519
- AA	5,033,741	-	-	5,033,741
- Baa1	15,359,185	-	-	15,359,185
- Baa2	12,491,039	-	-	12,491,039
- Baa3	19,043,735	-	-	19,043,735
- BBB+	4,294,858	-	-	4,294,858
- BBB-	16,509,299	-	-	16,509,299
- BBB	2,600,726	-	-	2,600,726
- Ba1	10,829,381	-	-	10,829,381
- Ba2	2,270,403	-	-	2,270,403
Government				
- BBB+	6,538,758	-	-	6,538,758
Health care				
- A+	4,935,997	-	-	4,935,997

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2022</u> (continued)				
Industrials				
- A+	5,103,792	-	-	5,103,792
- BBB	4,530,349	-	-	4,530,349
- NR	1,371,918	-	-	1,371,918
Real Estate				
- AA	2,032,782	-	-	2,032,782
- Baa1	8,457,946	-	-	8,457,946
- C	549,269	-	-	549,269
Technology				
- Baa3	14,137,019	-	-	14,137,019
Telecommunications				
- Ba2	793,225	-	-	793,225
	<u>175,154,262</u>	<u>1,456,475</u>	<u>3,529,519</u>	<u>180,140,256</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2022</u>				
Basic Materials				
- Baa2	7,333,369	-	-	7,333,369
- Baa3	861,735	-	-	861,735
- Ba3	4,516,101	-	-	4,516,101
Consumer discretionary				
- AA1	4,241,047	-	-	4,241,047
- Baa2	3,665,168	-	-	3,665,168
- Baa3	7,260,512	-	-	7,260,512
- BBB+	3,428,219	-	-	3,428,219
- BBB-	5,031,746	-	-	5,031,746
Energy				
- Baa1	4,257,674	-	-	4,257,674
Financials				
- AA2	-	707,533	-	707,533
- AA3	-	2,349,123	-	2,349,123
- AAA	-	22,217	1,763,632	1,785,849
- A3	2,934,504	-	-	2,934,504
- Baa1	6,804,161	-	-	6,804,161
- Baa2	12,060,796	-	-	12,060,796
- Baa3	24,345,932	-	-	24,345,932
- BBB+	3,967,315	-	-	3,967,315
- BBB-	6,559,515	-	-	6,559,515
- BBB	11,883,906	-	-	11,883,906
- BB	6,100,585	-	-	6,100,585
- BB-	3,256,260	-	-	3,256,260
- Ba1	12,163,773	-	-	12,163,773
- Ba2	824,563	-	-	824,563
- Ba3	1,457,824	-	-	1,457,824
Government				
- BBB+	6,396,755	-	-	6,396,755

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2022</u> (continued)				
Industrials				
- A+	5,036,292	-	-	5,036,292
- BBB	4,406,943	-	-	4,406,943
Real Estate				
- Baa1	8,002,882	-	-	8,002,882
- BB+	4,247,465	-	-	4,247,465
- B	2,142,273	-	-	2,142,273
- B-	1,040,830	-	-	1,040,830
- Caa2	1,965,942	-	-	1,965,942
- Caa3	896,258	-	-	896,258
- C	650,894	-	-	650,894
- NA	2,188,026	-	-	2,188,026
Technology				
- Baa2	5,767,585	-	-	5,767,585
- Baa3	7,259,402	-	-	7,259,402
Telecommunications				
- BB	655,436	-	-	655,436
	<u>183,611,688</u>	<u>3,078,874</u>	<u>1,763,632</u>	<u>188,454,194</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within</u> <u>one month</u> RM	<u>Between</u> <u>one month</u> <u>to one year</u> RM	<u>Total</u> RM
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	5,552,040	15,212	5,567,252
Amount due to dealer	161	-	161
Amount due to Manager - management fee	29,372	-	29,372
Amount due to Trustee	5,874	-	5,874
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	4,101	4,101
Tax agent's fee	-	5,293	5,293
Other payables and accruals	-	2,746	2,746
	<u>5,588,530</u>	<u>27,352</u>	<u>5,615,882</u>
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	717,935	5,238,816	5,956,751
Amount due to dealer	162	-	162
Amount due to Manager - management fee	31,367	-	31,367
Amount due to Trustee	6,273	-	6,273
Auditors' remuneration	-	4,136	4,136
Tax agent's fee	-	5,310	5,310
Tax payable	-	19,297	19,297
Other payables and accruals	-	2,545	2,545
	<u>755,737</u>	<u>5,270,104</u>	<u>6,025,841</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital net of accumulated losses/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 current 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 and financial liabilities that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires 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 FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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>2023</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	175,154,262	-	175,154,262
- forward foreign currency contracts	-	1,456,475	-	1,456,475
	-	176,610,737	-	176,610,737
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	5,567,252	-	5,567,252
<u>2022</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	183,611,688	-	183,611,688
- forward foreign currency contracts	-	3,078,874	-	3,078,874
	-	186,690,562	-	186,690,562
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	5,956,751	-	5,956,751

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

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

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**4 MANAGEMENT FEE**

In accordance with the Deed, 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 6 months financial period ended 30 September 2023, the management fee is recognised at a rate of 0.20% (2022: 0.20%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

**5 TRUSTEE FEE**

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

For the 6 months financial period ended 30 September 2023, the Trustee fee is recognised at a rate of 0.04% (2022: 0.04%) per annum on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Prospectus.

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

**6 FUND ACCOUNTING FEE**

The fund valuation and accounting fee is RM6,500 (2022: RM Nil) for the financial period.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**7 TAXATION**

	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
Current taxation	849,089	371,106

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

	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
Net profit/(loss) before taxation	202,841	(20,281,500)
Tax at Malaysian statutory rate of 24% (2022: 24%)	48,682	(4,867,560)
Tax effects of:		
(Investment income not subject to tax)/Investment loss not brought to tax	(111,750)	4,800,638
Expenses not deductible for tax purposes	17,467	18,473
Restriction on tax deductible expenses for Unit Trust Funds	45,601	48,449
Foreign investment income subject to tax	849,088	371,106
Tax expense	849,089	371,106

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**8 DISTRIBUTION**

	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
Distributions to unitholders are from the following sources:		
Interest income	2,055,737	-
Previous year's realised income	9,218,136	2,520,291
Gross realised income	<u>11,273,873</u>	<u>2,520,291</u>
Less: Expenses	(1,857,271)	-
Net distribution amount	<u><u>9,416,602</u></u>	<u><u>2,520,291</u></u>
Gross/Net distribution per unit (sen)	<u><u>4.260</u></u>	<u><u>1.120</u></u>
Ex-date	<u><u>11.9.2023</u></u>	<u><u>12.9.2022</u></u>

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

Included in distribution for the financial period is an amount of RM9,218,136 (2022: RM2,520,291) made from previous financial year's realised income.

The Fund has incurred an unrealised loss of RM Nil (2022: RM18,528,437) during the financial period.

**9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	28,413,768	11,336,069
- unquoted fixed income securities – foreign	146,740,494	172,275,619
	<u><u>175,154,262</u></u>	<u><u>183,611,688</u></u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(21,701,424)	(5,329,860)
- unrealised gain/(loss) on changes in fair value	27,035,852	(11,505,480)
	<u>5,334,428</u>	<u>(16,835,340)</u>

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 30 September 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>				
3.95% TG Excellence Bhd Call: 27.02.2025 (A+)	5,000,000	4,925,878	4,935,997	2.81
4.15% Pac Lease Bhd 05.08.2025 (AA)	5,000,000	5,037,922	5,033,741	2.86
4.99% STM Lottery Sdn Bhd 30.06.2025 (AA-)	1,000,000	1,016,272	1,016,954	0.58
5.19% Genting RMTN Bhd 25.03.2027 (AA1)	4,200,000	4,207,950	4,240,753	2.41
4.90% GENM Capital Bhd 22.08.2025 (AA1)	3,500,000	3,544,811	3,541,320	2.01
4.3% SP Setia Bhd Group 23.06.2026 (AA)	2,000,000	2,023,562	2,032,782	1.16
5.55% Yinson Holdings Berhad 07.12.2026 (A+)	5,000,000	5,099,473	5,103,792	2.90
4.3% Press Metal Aluminium Hldg Bhd 18.09.2028 (AA2)	2,500,000	2,512,734	2,508,429	1.42
Total unquoted fixed income securities – local	<u>28,200,000</u>	<u>28,368,602</u>	<u>28,413,768</u>	<u>16.15</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>45,166</u>		
Total unquoted fixed income securities – local		<u>28,413,768</u>		

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

(ii) Unquoted fixed income securities – local as at 30 September 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
5.19% Genting RMTN Bhd 25.03.2027 (AA1)	4,200,000	4,209,080	4,241,047	2.32
5.55% Yinson Holdings Berhad 07.12.2026 (A+)	5,000,000	5,102,756	5,036,292	2.76
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	2,000,000	2,111,478	2,058,730	1.13
Total unquoted fixed income securities – local	<u>11,200,000</u>	<u>11,423,314</u>	<u>11,336,069</u>	<u>6.21</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(87,245)</u>		
Total unquoted fixed income securities – local		<u>11,336,069</u>		

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

(b) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 30 September 2023 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.8% Huarong Finance 2017 Co 07.11.2025 (Ba1)	861,625	767,911	762,541	0.43
4.625% Volkswagen Intl Fin NV Call: 27.06.2028 (Baa2)	2,988,720	3,110,528	2,701,299	1.54
4.625% Cooperatieve Rabobank UA Call: 29.12.2025 (Baa3)	5,977,440	6,036,008	5,533,785	3.15
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB-)	5,169,750	4,845,740	5,250,816	2.98
5% Dah Sing Bank Ltd Call: 15.01.2024 (Baa1)	7,039,500	6,573,331	7,061,010	4.01
5.75% Celestial Miles Ltd Call: 31.01.2024 (NR)	1,407,900	1,331,946	1,371,918	0.78
4.125% Ford Motor Credit Co LLC 20.06.2024 (BBB-)	1,723,250	1,544,350	1,726,594	0.98
3.375% Far East Horizon Ltd 18.02.2025 (BBB-)	2,346,500	2,166,823	2,142,428	1.22
3.3% DBS Group Holdings Ltd Call: 27.02.2025 (Baa1)	1,877,200	1,770,242	1,789,003	1.02
4.75% Indonesia Asahan Aluminium Tbk Call: 15.04.2025 (Baa2)	3,754,400	3,515,480	3,744,806	2.13
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	4,693,000	4,308,598	4,294,858	2.44
3.5% Volkswagen Intl Fin NV Call: 17.06.2025 (Baa2)	1,494,360	1,496,479	1,424,628	0.81
5.75% Argentum Netherlands BV Swiss Call: 15.08.2025 (BBB+)	3,754,400	3,495,663	3,643,822	2.07
5% Huarong Finance II Co Ltd 19.11.2025 (Ba1)	3,754,400	3,528,278	3,455,300	1.96
4.375% BP Capital Markets PLC Call: 22.06.2025 (Baa1)	4,693,000	4,313,682	4,490,702	2.55
2.125% Meituan Call: 28.09.2025 (Baa3)	8,447,400	7,419,921	7,850,433	4.46
2.376% Telefonica Europe BV Call: 12.02.2029 (Ba2)	996,240	983,204	793,225	0.45
2.625% Far East Horizon Ltd 03.03.2024 (BBB-)	2,346,500	2,155,564	2,291,455	1.30
1.125% Barclays PLC Call: 22.03.2026 (Baa1)	996,240	826,869	885,490	0.50
3.875% ING Groep NV Call: 16.05.2027 (Ba1)	1,407,900	1,266,809	1,040,201	0.59

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

(i) Unquoted fixed income securities – foreign as at 30 September 2023 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	2,437,840	2,421,593	2,247,777	1.28
6.25% Credit Suisse Group AG Call: 18.12.2024 (NR)	3,754,400	3,580,869	-	-
6.375% HSBC Holdings PLC Call: 30.03.2025 (Baa3)	8,447,400	8,116,293	8,392,087	4.77
QBE Insurance Group Ltd 5.875% (Call: 17.06.2026)	7,039,500	6,937,593	6,824,600	3.88
5.25% Lloyds Banking Group PLC Call 22.08.2028 (Baa1)	861,625	858,907	862,360	0.49
7.0860% Lloyds Banking Group PLC Call 31.08.2028 (Baa1)	761,825	752,027	765,795	0.44
5.3% HSBC Holdings PLC Call: 26.03.2029 (Baa1)	861,625	859,501	870,953	0.50
6.625% Julius Baer Group Ltd Call: 15.08.2029 (Baa3)	996,240	942,526	871,119	0.50
6.2% Times China Holdings Ltd Call: 23.10.2023 (C)	13,140,400	11,569,600	549,269	0.31
5.00% Bangkok Bank PCL/Hong Kong Call: 23.09.2025 (Ba1)	2,346,500	2,084,770	2,213,245	1.26
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	9,386,000	8,268,171	8,457,946	4.81
3.45% Dianjian Haiyu Ltd Call: 29.09.2025 (BBB)	4,693,000	4,211,854	4,530,349	2.57
2.875% CDB Financial Leasing Co Ltd Call: 28.09.2025 (BBB+)	4,693,000	4,135,318	4,358,105	2.49
4.875% Julius Baer Group Ltd Call: 08.10.2026 (Baa3)	4,693,000	4,295,180	4,246,744	2.41
4.375% Svenska Handelsbanken AB Call: 01.03.2027 (Baa2)	3,754,400	3,461,111	3,332,859	1.89
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba2)	2,346,500	2,133,169	2,270,403	1.29
8.25% Indika Energy Capital IV Call: 25.10.2023 (Ba2)	2,346,500	2,263,531	2,414,168	1.37
2.375% Ocean Laurel Co Ltd 20.10.2025 (BBB+)	2,346,500	2,090,987	2,180,653	1.24
4.375% Banco Santander SA Call: 14.01.2026 (Ba1)	3,984,960	3,694,176	3,358,094	1.91



**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

(i) Unquoted fixed income securities – foreign as at 30 September 2023 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
2.95% Australia New Zealand Bank Gp Call: 22.07.2025 (Baa1)	938,600	808,668	876,797	0.50
5.625% Phoenix Group Holdings PLC Call: 29.01.2025	2,815,800	2,571,096	2,600,726	1.48
4% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	7,039,500	6,314,856	6,817,365	3.87
3.8% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	9,386,000	8,538,967	9,158,180	5.20
3% AAC Technologies Holdings Inc Call: 27.11.2023 (Baa3)	6,570,200	5,839,980	6,286,586	3.57
5.625% Credit Suisse Group AG Call: 06.06.2024 (C)	1,723,250	1,664,830	-	-
Total unquoted fixed income securities – foreign	<u>173,094,290</u>	<u>159,872,999</u>	<u>146,740,494</u>	<u>83.40</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(13,132,505)</u>		
Total unquoted fixed income securities – foreign		<u>146,740,494</u>		

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

(ii) Unquoted fixed income securities – foreign as at 30 September 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.8% Huarong Finance 2017 Co Call: 07.11.2025 (Baa3)	1,618,850	1,511,397	1,406,949	0.77
5.875% KWG Group Holdings Ltd Call: 18.10.2022 (B-)	4,636,000	4,267,884	1,040,830	0.57
5.125% Country Garden Holdings Co Ltd Call: 19.10.2022 (BB+)	1,390,800	1,255,784	425,773	0.23
4.625% Volkswagen Intl Fin NV Call: 27.06.2028 (Baa2)	2,725,140	3,136,784	2,409,472	1.32
6.5% Asahi Mutual Life Insurance Co Call: 05.09.2023 (BBB)	4,636,000	4,506,803	4,622,066	2.53
4.625% Cooperatieve Rabobank UA Call: 29.12.2025 (Baa3)	5,450,280	6,079,511	4,836,461	2.65
8% Country Garden Holdings Co Ltd Call: 19.10.2022 (BB+)	7,881,200	6,381,264	3,105,893	1.70
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	4,856,550	4,843,198	4,911,336	2.69
5% Dah Sing Bank Ltd Call: 15.01.2024 (Baa1)	4,636,000	4,408,080	4,647,848	2.55
5.75% Celestial Miles Ltd Call: 31.01.2024 (NA)	1,390,800	1,334,737	1,365,826	0.75
6% Banco Bilbao Vizcaya Arg SA Call: 29.03.2024 (Ba2)	908,380	967,127	824,563	0.45
4.125% Ford Motor Credit Co LLC Call: 20.06.2024 (BBB-)	1,618,850	1,548,093	1,619,563	0.89
7.7% Yuzhou Group Holdings Co Ltd Call: 20.02.2023 (C)	6,954,000	6,261,627	464,527	0.26
4.75% Indonesia Asahan Aluminium Tbk Call: 15.04.2025 (Baa2)	7,417,600	7,087,160	7,333,369	4.02
5.4% Country Garden Holdings Co Ltd Call: 27.05.2023 (BB+)	2,318,000	2,212,180	715,799	0.39
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	4,636,000	4,327,362	3,967,315	2.17
3.5% Volkswagen Intl Fin NV Call: 17.06.2025 (Baa2)	1,362,570	1,500,979	1,255,696	0.69
4.375% BP Capital Markets PLC Call: 22.06.2025 (Baa1)	4,636,000	4,318,559	4,257,674	2.33
5.95% CIFI Holdings Group Co Ltd Call: 20.07.2023 (B)	4,636,000	4,332,087	1,072,352	0.59
6.25% Powerlong Real Estate Call: 02.11.2022 (Caa3)	4,636,000	4,221,171	746,184	0.41
5.85% CIFI Holdings Group Co Ltd Call: 19.10.2022 (B)	2,604,000	2,451,408	1,069,921	0.59
2.125% Meituan Call: 28.09.2025 (Baa3)	8,344,800	7,221,903	7,259,402	3.98
5.95% Powerlong Real Estate Call: 30.04.2023 (Caa3)	927,200	851,039	150,074	0.08

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

(i) Unquoted fixed income securities – foreign as at 30 September 2022 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
2.15% Haidilao International Holding Call: 14.01.2026 (BBB-)	4,172,400	3,295,069	3,412,183	1.87
2.376% Telefonica Europe BV Call: 12.02.2029 (BB)	908,380	982,417	655,436	0.36
3.875% ING Groep N.V Call: 16.05.2027 (Ba1)	1,390,800	1,266,560	933,548	0.51
3.695% BNP Paribas SA Call: 24.02.2027 (Baa1)	2,407,280	2,421,737	2,156,313	1.18
5.25% Lendlease Global Commer REIT Call: 11.04.2025 (NA)	809,425	798,366	822,200	0.45
4.763% Freeport Indonesia PT Call: 14.03.2027 (Baa3)	927,200	864,086	861,735	0.47
5.21% HSBC Holdings PLC Call: 11.08.2027 (A3)	927,200	898,009	875,774	0.48
6.25% Credit Suisse Group AG Call: 18.12.2024 (BB-)	3,708,800	3,486,180	3,256,260	1.78
5.50% Huarong Finance II Co Ltd 16.01.2025 (Baa3)	3,245,200	3,055,950	2,908,538	1.59
6.375% HSBC Holdings PLC Call: 30.03.2025 (Baa3)	8,344,800	8,116,896	7,780,291	4.27
5.875% QBE Insurance Group Ltd Call: 17.06.2026 (BBB-)	6,954,000	6,951,457	6,559,515	3.60
5.75% Argentum Netherlands BV Swiss Call: 15.08.2025 (BBB+)	3,708,800	3,494,756	3,428,219	1.88
5.00% Huarong Finance II Co Ltd 19.11.2025 (Baa3)	3,708,800	3,619,998	3,228,264	1.77
6.20% Times China Holdings Ltd Call: 22.09.2023 (Caa2)	12,980,800	11,992,125	1,965,942	1.08
5.00% Bangkok Bank PCL/Hong Kong Call: 23.09.2025 (Ba1)	4,636,000	4,169,953	4,128,873	2.26
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	9,272,000	8,268,353	8,002,882	4.39
3.45% Dianjian Haiyu Ltd Call: 29.09.2025 (BBB)	4,636,000	4,130,889	4,406,943	2.42
2.875% CDB Financial Leasing Co Ltd Call: 28.09.2025 (BBB+)	4,636,000	4,132,673	4,305,637	2.36
4.25% Huarong Finance 2019 Co Ltd Call: 30.09.2025 (BB)	7,881,200	7,180,466	6,100,585	3.34
4.875% Julius Baer Group Ltd Call: 08.10.2026 (Baa3)	4,636,000	4,315,920	4,185,429	2.29
4.375% Svenska Handelsbanken AB Call: 01.03.2027 (Baa2)	3,708,800	3,476,041	3,115,840	1.71

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

(i) Unquoted fixed income securities – foreign as at 30 September 2022 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba1)	4,636,000	4,264,943	4,241,801	2.33
8.25% Indika Energy Capital IV Call: 22.10.2022 (Ba3)	4,636,000	4,509,251	4,516,101	2.48
2.375% Ocean Laurel Co Ltd 20.10.2025 (BBB+)	2,318,000	2,088,164	2,091,118	1.15
7.375% Yuzhou Group Holdings Co Ltd Call: 13.01.2024 (C)	2,781,600	2,454,325	186,367	0.10
4.375% Banco Santander SA Call: 14.01.2026 (Ba1)	3,633,520	3,684,427	2,859,551	1.57
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB)	2,781,600	2,578,212	2,350,504	1.29
4.00% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	7,881,200	7,162,794	7,260,512	3.98
3.80% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	9,272,000	8,557,442	8,944,956	4.90
3.00% AAC Technologies Holdings Inc Call: 27.11.2022 (Baa2)	6,490,400	5,790,802	5,767,585	3.16
5.625% Credit Suisse Group AG Call: 06.06.2024 (Ba3)	1,618,850	1,573,102	1,457,824	0.80
Total unquoted fixed income securities – foreign	<u>229,870,075</u>	<u>214,607,500</u>	<u>172,275,619</u>	<u>94.43</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(42,331,881)</u>		
Total unquoted fixed income securities – foreign		<u>172,275,619</u>		

\* Credit Suisse Group AG

The Credit Suisse Group was experiencing a crisis of confidence in mid March 2023, which has resulted in considerable outflows of deposits. This was intensified by the upheavals in the US banking market in early March 2023. There was a risk of the bank becoming illiquid, even if it remained solvent, and the regulators deemed it necessary to act in order to prevent serious damage to the Swiss and international financial markets. Following this on 19 March 2023, the Swiss Financial Market Supervisory Authority (“FINMA”) has announced its approval for the takeover of Credit Suisse Group by UBS Group. The details of UBS’s proposed merger transaction with Credit Suisse (“CS”) were still being worked out and subject to customary closing conditions. According to the press release by CS, it is expected to complete by end of 2023 if possible.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

\* Credit Suisse Group AG (continued)

According to FINMA, while the transaction has prevented the bankruptcy of Credit Suisse, the extraordinary government support will trigger a complete write-down of the nominal value of all Additional Tier 1 (“AT1”) bonds of Credit Suisse in the amount of around CHF 16 billion. This has a direct impact on the fund where the underlying bond is the CS 5.25% AT1 (ISIN: USH3698DDA93).

The decision to fully write down CHF 16 billion of CS Additional Tier-1 (“AT1”) bonds rattled global investors, surprised not only that a large Swiss bank had failed, but also that the order of absorbing losses was reversed. Under the ordinary scenario, shareholders are the ones to be hit first, and only after equity values are erased, AT1 bond holders were to take a hit. In the case of CS, equity value remained, while AT1 bonds were completely cancelled. The complete write down of AT1 bonds issued by a bank with every indication that it was solvent was unprecedented. As of the time of writing, CS has not issued any formal notice to AT1 bond holders that the value of AT1 is zero.

The Swiss Parliament has convened an extraordinary assembly on 12 April, to debate the special ordinance that provides liquidity assistance which is cited as the reason to trigger a write down of the value of AT1 bond holders on 19 March 2023. The Swiss parliament has then rejected the Credit Suisse rescue package, however the vote is largely symbolic as the government commitment, made using emergency law which cannot be overturned.

The situation remains fluid and with the ongoing developments on the following items i.e. the completion of merger transaction, formal notice by CS to AT1 bond holders, the upcoming parliament discussion about emergency ordinance and potential legal options pursued by the Manager.

\*\* Times China Holdings Ltd

The Company officially defaulted on their offshore debt obligations after not being able to cure their missed coupons, for 6.6% senior notes due 2023, within the 30 days grace period which ended on 30 December 2022. The default highlighted the tough operating environment and tight liquidity positions of the smaller developers. According to the Bloomberg news in 9 February 2023, Times China is in the midst of engaging their onshore holders to extend all of their onshore bonds. They proposed to repay the bonds which they have extended previously by around 3.5 years, while the ones that they have not extended before, they are looking to extend repayment by 4.5 years. Instalment payments will start from November 2024 or December 2024 on a quarterly basis if approved. Subsequently, per Caixin’s news on 23 February 2023, the payment extension period for all their onshore debt will be shortened by half a year and bondholders is to be scheduled to meet between 23 February 2023 to 3 March 2023. It is unclear whether the proposal has been approved. The Fund’s exposure is in the USD bonds. If the onshore bond restructuring progresses well, it should help push through the restructuring talks for offshore bond investors. The Manager awaits further details on the restructuring plan of the offshore bonds. Times China’s bonds are still tradable in the market as at the date of the financial statements.

In terms of rating actions, Moody's downgraded Times' issuer ratings by multiple notches in 2022, from B1 to Caa1. Their rating was further downgraded in January 2023 to Ca (negative outlook) after their notice to inform that they did not cure the missed coupon interest payments within the 30 days grace period. S&P downgraded Times' rating in January 2022 from BB- to B+ and subsequently withdrawn their ratings in May 2022. Fitch downgraded Times' issuer ratings by multiple notches in 2022, from BB- to CC before it was withdrawn in November 2022.

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**10 CASH AND CASH EQUIVALENTS**

	<u>2023</u> RM	<u>2022</u> RM
Cash and bank balances	3,389,465	1,613,602
Deposit with a licensed financial institution	140,054	150,030
	<u>3,529,519</u>	<u>1,763,632</u>

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

	<u>2023</u> %	<u>2022</u> %
Deposit with a licensed financial institution	<u>3.20</u>	<u>2.50</u>

The deposit with a licensed financial institution has an average maturity of 2 days (2022: 3 days).

**11 FORWARD FOREIGN CURRENCY CONTRACTS**

As at the date of statement of financial position, there are 16 (2022: 20) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM140,076,052 (2022: RM183,407,969). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Euro, Singapore Dollar and United States Dollar. As the Fund has not adopted hedge accounting during the financial period, the changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	<u>1,456,475</u>	<u>3,078,874</u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>5,567,252</u>	<u>5,956,751</u>
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised loss on forward foreign currency contracts	(1,219,789)	(1,840,462)
- unrealised loss on forward foreign currency contracts	(7,047,408)	(7,575,189)
	<u>(8,267,197)</u>	<u>(9,415,651)</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**11 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)**

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 30 September 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#	68,211,832	69,857,094	(1,645,262)	(0.94)
BNP Paribas Malaysia Bhd	40,264,320	41,116,107	(851,787)	(0.48)
CIMB Bank Bhd	31,599,900	33,213,628	(1,613,728)	(0.92)
Total forward foreign currency contracts	<u>140,076,052</u>	<u>144,186,829</u>	<u>(4,110,777)</u>	<u>(2.34)</u>

(ii) Forward foreign currency contracts as at 30 September 2022 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#	76,321,190	75,978,140	343,050	0.19
BNP Paribas Malaysia Bhd	54,539,204	55,360,844	(821,639)	(0.45)
CIMB Bank Bhd	51,317,255	53,666,624	(2,349,370)	(1.29)
Citibank Bhd	1,230,320	1,280,238	(49,918)	(0.03)
Total forward foreign currency contracts	<u>183,407,969</u>	<u>186,285,846</u>	<u>(2,877,877)</u>	<u>(1.58)</u>

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

**12 NUMBER OF UNITS IN CIRCULATION**

	<u>2023</u> No. of units	<u>2022</u> No. of units
Balance as at the beginning of the financial period	221,947,000	225,680,000
Cancellation of units	(1,065,000)	(946,000)
At the end of the financial period	<u>220,882,000</u>	<u>224,734,000</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**13 TRANSACTIONS WITH DEALERS**

- (i) Details of transactions with the top 10 dealers for the 6 months financial period ended 30 September 2023 are as follows:

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
Barclays Bank PLC	7,307,066	11.62
Affin Hwang Investment Bank Berhad #*	6,017,059	9.56
Australia & New Zealand Banking Group Ltd	5,917,449	9.41
CIMB Bank Bhd	5,005,000	7.96
HSBC Banking Corporation Ltd	4,830,691	7.68
JP Morgan Chase Bank Bhd	4,490,126	7.14
Nomura Singapore Ltd	4,011,440	6.38
Hong Leong Bank Bhd	3,528,940	5.61
Standard Chartered Bank Malaysia Bhd	3,464,460	5.51
Bank of America	3,075,983	4.89
Others	15,247,588	24.24
	<u>62,895,802</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the 6 months financial period ended 30 September 2022 are as follows:

<u>Name of dealers</u>	Value of trade RM	Percentage of total trade %
Barclays Bank PLC	14,490,336	15.83
MarketAxess Holdings Inc *	9,953,876	10.87
Nomura Singapore Ltd	9,110,103	9.95
Citigroup Global Markets	9,077,812	9.92
BNP Paribas Securities	7,736,234	8.45
Jefferies International Ltd	6,303,234	6.89
DBS Bank Ltd	5,901,288	6.45
HSBC Bank Malaysia Bhd	4,851,913	5.30
Bank of America	4,306,273	4.70
HSBC Banking Corporation Ltd	4,015,852	4.39
Others *	15,783,094	17.25
	<u>91,530,015</u>	<u>100.00</u>



**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**13 TRANSACTIONS WITH DEALERS (CONTINUED)**

# Included in transactions with brokers are trades with Affin Hwang Investment Bank Berhad, the former immediate holding company of the Manager amounting to RM6,017,059 (2022: RM Nil). The Manager is of the opinion that all transactions with the former immediate holding company have been entered into in the normal course of business at agreed terms between related parties.

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

<u>Name of dealers</u>	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
Affin Hwang Investment Bank Bhd	5,911,720	-
MarketAxess Holdings Inc	-	9,953,876
RHB Investment Bank Bhd	-	2,205,940
	<u>5,911,720</u>	<u>12,159,816</u>

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

	6 months financial period ended <u>30.9.2023</u> RM	6 months financial period ended <u>30.9.2022</u> RM
Affin Hwang Wholesale Corporate Bond Fund	1,004,220	-
AHAM Income Fund 7	4,907,500	-
AHAM Select Bond Fund	-	12,159,816
	<u>5,911,720</u>	<u>12,159,816</u>

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

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

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

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

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

	2023		2022	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)	2,562	2,041	2,847	2,312
	2,562	2,041	2,847	2,312

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

**15 TOTAL EXPENSE RATIO (“TER”)**

	6 months financial period ended <u>30.9.2023</u> %	6 months financial period ended <u>30.9.2022</u> %
TER	0.14	0.14
	0.14	0.14

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	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 RM184,890,476 (2022: RM196,193,765).

**AHAM FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

**16 PORTFOLIO TURNOVER RATIO (“PTR”)**

	6 months financial period ended 30.9.2023	6 months financial period ended 30.9.2022
PTR (times)	0.24	0.25

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM32,473,979 (2022: RM49,236,894)  
total disposal for the financial period = RM57,978,447 (2022: RM47,527,054)

**17 SIGNIFICANT EVENTS 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 FLEXIBLE MATURITY INCOME FUND 19**  
**(FORMERLY KNOWN AS AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 19)**

**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 45 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 September 2023 and of its financial performance, changes in equity and cash flows for the 6 month financial period ended 30 September 2023 in accordance with the Malaysian Financial Reporting Standards, 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  
15 November 2023

## **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](http://aham.com.my)