



**SEMI-ANNUAL REPORT**  
30 September 2024

# **AHAM Flexible Maturity Income Fund 19**

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

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

**Built On Trust**

[aham.com.my](http://aham.com.my)

# AHAM FLEXIBLE MATURITY INCOME FUND 19

## Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 30 September 2024

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

## FUND INFORMATION

Fund Name	AHAM 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 2024 (%)	As at 30 Sep 2023 (%)	As at 30 Sep 2022 (%)
Portfolio Composition			
Unquoted fixed income securities – local	16.37	16.15	6.21
Unquoted fixed income securities – foreign	74.28	83.40	94.43
Cash & cash equivalent	9.35	0.45	-0.64
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	175.060	175.950	182.428
NAV per Unit (RM)	0.8191	0.7966	0.8118
Unit in Circulation (million)	213.728	220.882	224.734
Highest NAV	0.8538	0.8485	0.9310
Lowest NAV	0.7944	0.7946	0.8118
Return of the fund (%)	2.33	-0.33	-10.07
- Capital Return (%)	-2.04	-5.40	-11.24
- Income Return (%)	4.47	5.36	1.32
Gross Distribution per Unit (sen)	3.65	4.260	1.120
Net Distribution per Unit (sen)	3.65	4.260	1.120
Total Expense Ratio (%) <sup>1</sup>	0.14	0.14	0.14
Portfolio Turnover Ratio (times) <sup>2</sup>	0.40	0.24	0.25

**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 increased due to higher 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	Distribution per Unit (RM)	Ex-distribution
11-Sep-22	12-Sep-22	0.8591	0.0112	0.8492
10-Sep-23	11-Sep-23	0.8371	0.0426	0.7946
9-Sep-24	10-Sep-24	0.8538	0.0365	0.8174

No unit split was declared for the financial period ended 30 September 2024.

## **Income Distribution Breakdown**

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	12-Sep-22	1.1200	100	-	-
MYR	11-Sep-23	4.2600	100	-	-
MYR	10-Sep-24	3.6500	100	-	-

## **Fund Performance**

Table 1: Performance of the Fund

	6 Months (1/4/24 - 30/9/24)	1 Year (1/10/23 - 30/9/24)	3 Years (1/10/21 - 30/9/24)	Since Commencement (10/9/20 - 30/9/24)
Fund	2.33%	7.42%	(10.32%)	(5.47%)
Benchmark	1.05%	2.11%	6.44%	8.80%
Outperformance	1.28%	5.31%	(16.76%)	(14.27%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/23 - 30/9/24)	3 Years (1/10/21 - 30/9/24)	Since Commencement (10/9/20 - 30/9/24)
Fund	7.42%	(3.56%)	(1.38%)
Benchmark	2.11%	2.10%	2.10%
Outperformance	5.31%	(5.66%)	(3.48%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/4/23 - 31/3/24)	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	4.62%	(6.71%)	(9.16%)	4.19%
Benchmark	2.11%	2.10%	2.10%	1.16%
Outperformance	2.51%	(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.***

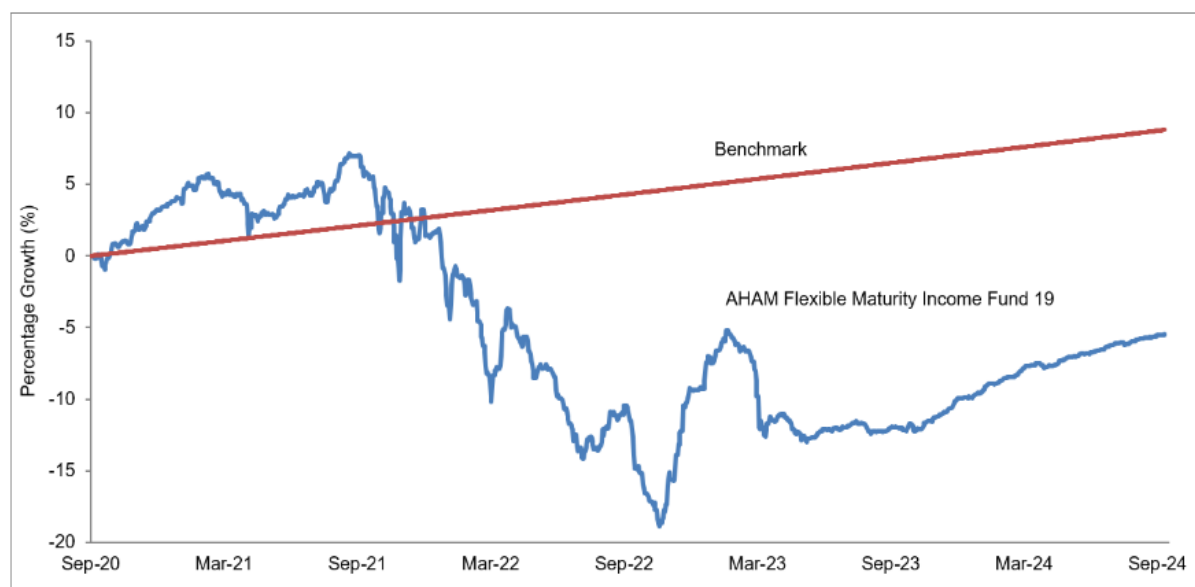
## MANAGER'S REPORT

### Performance Review (1 April 2024 to 30 September 2024)

For the period 1 April 2024 to 30 September 2024, the Fund registered a 2.33% return compared to the benchmark return of 1.05%. The Fund thus outperformed the Benchmark by 1.28%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2024 was RM0.8191 while the NAV as at 31 March 2024 was RM0.8362. During the period under review, the Fund has declared an income distribution of RM0.0365 per unit.

Since commencement, the Fund has registered a return of -5.47% compared to the benchmark return of 8.80%, underperforming by 14.27%.

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 2024, the asset allocation of the Fund stood at 90.65% of the Fund's NAV in fixed income securities while the remaining was held in cash and cash equivalent.

### Strategies Employed

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 bonds 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.

Over the period under review, the Manager has continued to 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 Manager have also prudently rebalanced the portfolio duration of the Fund to ensure that it closely matches the Funds' maturities. Additionally, the Fund's foreign currency exposure has been fully hedged since its inception to mitigate foreign currency risk.

## **Market Review**

Globally, several key developments have influenced the bond markets, including geopolitical tensions and shifts in monetary policy across major economies. The ongoing conflict in Ukraine, coupled with economic uncertainties in Europe and Asia, has led to increased volatility in global financial markets. Furthermore, central banks worldwide are grappling with the delicate balance of fostering economic recovery while managing inflation. Japan for example has increased interest rates and are expected to continue doing so going into 2025 as it sees rise in its inflationary data. This has led to fluctuations in the Japanese Yen against major currencies like the US dollar. These dynamics have resulted in a cautious approach among investors, who are closely monitoring developments that could impact interest rates and credit conditions. Overall, the bond market has navigated a complex landscape over the past year, characterized by resilience amid uncertainty and evolving economic conditions.

Over the past twelve months ending September 2024, the U.S. government bond market has exhibited notable resilience amid fluctuating economic conditions. The Treasury Index recorded a gain of approximately 4% for YTD September 2024, reflecting a broader trend of stability and recovery in bond prices following a volatile period earlier in the year. Investors have shown a preference for U.S. Treasuries as a safe haven, particularly as inflationary pressures have eased, and economic growth projections have moderated. This shift has resulted in a favorable environment for government bonds, with demand remaining robust despite the complexities in the broader economic landscape.

The yield on U.S. Treasuries has experienced significant fluctuations, particularly in the context of anticipated interest rate cuts by the Federal Reserve. As of end September 2024, the yield on the 10-year Treasury note was approximately 3.78%, having stabilized after reaching a peak earlier in the year. In September, the Fed began its easing cycle with a more aggressive 50bps rate cut than the market had expected. The decision was prompted by softening labour markets and by the Fed's greater confidence in inflation moving sustainably towards the 2% target.

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 moderate inflation and the central bank's stance to support growth. This together with strong demand for MYR denominated bonds translated to lower local bond market yields in both the government bonds and private debt securities space.

## **Investment Outlook**

The outlook for global government bonds over the next 12 months is shaped by anticipated shifts in monetary policy and macroeconomic conditions. As central banks, particularly the Federal Reserve, signal potential interest rate cuts in response to economic uncertainties, government bonds may benefit from increased demand. Lower interest rates typically lead to higher bond prices, providing opportunities for capital gains for investors holding longer-duration bonds. Furthermore, with yields on government bonds remaining relatively attractive compared to historical standards, they are likely to attract risk-averse investors seeking stability amidst market volatility. However, the pace of economic recovery and inflation dynamics will be critical factors influencing bond performance, as unexpected inflation could erode real returns.

In the Asian corporate bond market, the outlook appears cautiously optimistic, driven by a combination of high yields and improving credit conditions. With many Asian economies showing signs of resilience, corporate bonds offer attractive income streams. Investors are encouraged to focus on credit quality, as the risk of defaults remains a concern, particularly in sectors still recovering from the pandemic's impact. Additionally, the shift towards sustainable finance and ESG (Environmental, Social, and Governance) criteria is likely to create opportunities for corporate issuers that align with these values, potentially enhancing their credit profiles and attracting a broader investor base. However, geopolitical tensions and regional economic disparities may pose challenges that investors need to navigate carefully.

In Malaysia, as global market transitions into a period of interest rate easing, we expect volatility to trickle down to EM markets as investors try to price quantum of potential adjustments. We remain positive for domestic fixed income market going into 4Q24, supported by ample domestic liquidity and strong technical factors. The government's focus on sustaining economic growth, alongside a stable OPR outlook should keep yields anchored, barring any significant external catalyst. US Presidential Elections in November 2024 may introduce some volatility in 4Q24 as investors may take the opportunity to de-risk ahead.

In terms of risks and opportunities in bond investments, several factors must be considered. Interest rate risk remains a significant concern, as rising rates can lead to declining bond prices, particularly for long-duration securities. On the positive note, we view that interest rates are more likely to be cut over the next twelve months, which will be supportive of bond prices. Inflation has moderated but the risk remains as it can erode the purchasing power of fixed income returns, making it crucial for investors to assess the real yield of their bond holdings. On the opportunity side, the current environment allows for active management strategies, where investors can capitalize on mispriced securities through diligent credit analysis and duration management. Moreover, the growing emphasis on ESG factors presents a dual opportunity to enhance returns while contributing to sustainable practices, particularly in the corporate bond space. Thus, while risks persist, the potential for attractive returns through strategic investment choices remains robust.

The Manager would like to emphasize that the final performance of the Funds upon maturity will depend on various market conditions. Throughout the Fund's remaining tenure, the Manager will continue to monitor market dynamics closely, identify prudent investment opportunities, and implement risk management strategies aimed at achieving the best possible outcomes for investors.

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

Due to Swiss Financial Market Supervisory Authority ("FINMA")'s decision to write off the Credit Suisse AT1 as announced in the UBS-Credit Suisse merger on March 19, 2023, the fund's sole investment holding in the USD CS 6.375% AT1 has been impacted. As a result, the net asset value of the AHAM Flexible Maturity Income Fund 19 (the "Fund") was RM191,186,615.80 on March 17, 2023. As of September 30, 2024, the AHAM Flexible Maturity Income Fund 19's net asset value (NAV) was RM175,060,210.50 after accounting for tax liability, unwinding of FX hedges, and other liabilities. Pursuant to the Securities Commission's Guidelines, the investors' liabilities are limited to the amount invested in the Retail Fund, resulting in a NAV per unit quoted at RM0.00.

The Fund is currently represented by Quinn Emanuel Urquhart & Sullivan LLP ("Quinn Emanuel") in a class action against the FINMA and UBS in Switzerland. Quinn Emanuel is a reputable worldwide legal firm known to have vast expertise, experience and have a proven record of accomplishment in managing comparable cases.

On 18 April 2023, Quinn Emanuel filed bondholding information, including address, notional amount, market value, and International Securities Identification Number ("ISIN") as required by Swiss Federal Administrative Court ("SFAC"), which included information on the bond holdings of the Fund as at the date of the write-down to the SFAC and the filing was duly acknowledged. A judge was assigned to oversee the proceedings. The Court had further ordered the disclosure of FINMA's decree ordering Credit Suisse (now UBS) to write down the AT1 bonds, requested the appellants' further submissions on the decree's significance, and ordered FINMA to produce the full file regarding its write-down decision.

The legal proceeding is ongoing, and the Manager is maintaining close communication with Quinn Emanuel on the progress of the lawsuit. As of 31 July 2024, there have been no new developments in the lawsuit. Any material developments will be promptly communicated to investors.

The Manager is currently covering for the legal expenses incurred by the Fund and will bear the legal expenses if the recovery is unsuccessful. In the event of a successful recovery, the recovery proceeds received by the Fund, after deducting any applicable tax liabilities, pre-paid legal fees by the Manager, and any other incidental costs relating to the legal proceeding, will be paid to you based on the number of units you hold. Additionally, the Manager will bear the statutory expenses post-write off to keep the Fund operational, so as unitholders may receive official updates via the Quarterly and Annual reports.



### **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**

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

## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF AHAM FLEXIBLE MATURITY INCOME FUND 19 ("Fund")**

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

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the 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 2024

**AHAM FLEXIBLE MATURITY INCOME FUND 19**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

# **AHAM FLEXIBLE MATURITY INCOME FUND 19**

## **UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

<b>CONTENTS</b>	<b>PAGE (S)</b>
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
MATERIAL ACCOUNTING POLICY INFORMATION	5 - 11
NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS	12 - 45
STATEMENT BY THE MANAGER	47

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	6 months financial period ended 30.9.2024 RM	6 months financial period ended 30.9.2023 RM
<b>INVESTMENT INCOME</b>			
Interest income from financial assets at amortised cost		29,707	50,502
Interest income from financial assets at fair value through profit or loss		4,292,695	4,436,039
Net loss on foreign currency exchanges		(314,842)	(1,088,147)
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	11	15,287,272	(8,267,197)
Net (loss)/gain on financial assets at fair value through profit or loss	9	(14,881,440)	5,334,428
		<u>4,413,392</u>	<u>465,625</u>
<b>EXPENSES</b>			
Management fee	4	(181,630)	(184,902)
Trustee fee	5	(36,326)	(36,981)
Fund accounting fee	6	(6,500)	(6,500)
Auditors' remuneration		(4,136)	(4,101)
Tax agent's fee		(1,810)	(1,793)
Other expenses		(22,198)	(28,506)
		<u>(252,600)</u>	<u>(262,783)</u>
<b>NET PROFIT BEFORE TAXATION</b>		4,160,792	202,842
Taxation	7	-	(849,089)
<b>NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>4,160,792</u>	<u>(646,247)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		(6,928,892)	(19,570,948)
Unrealised amount		11,089,684	18,924,701
		<u>4,160,792</u>	<u>(646,247)</u>

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

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	10	5,195,392	3,529,519
Amount due from dealers		286,775	-
Financial assets at fair value through profit or loss	9	158,681,486	175,154,262
Forward foreign currency contracts at fair value through profit or loss	11	9,177,700	1,456,475
Tax recoverable		1,786,046	1,425,722
<b>TOTAL ASSETS</b>		<u>175,127,399</u>	<u>181,565,978</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	11	19,596	5,567,252
Amount due to dealer		155	161
Amount due to Manager - management fee		29,178	29,372
Amount due to Trustee		5,836	5,874
Fund accounting fee		1,083	1,083
Auditors' remuneration		4,136	4,101
Tax agent's fee		5,310	5,293
Other payables and accruals		1,894	2,746
<b>TOTAL LIABILITIES</b>		<u>67,188</u>	<u>5,615,882</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>175,060,211</u>	<u>175,950,096</u>
<b>EQUITY</b>			
Unitholders' capital		215,771,518	221,673,607
Accumulated losses		(40,711,307)	(45,723,511)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>175,060,211</u>	<u>175,950,096</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<u>213,728,000</u>	<u>220,882,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.8191</u>	<u>0.7966</u>

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

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 April 2024	218,426,858	(37,042,338)	181,384,520
Total comprehensive income for the financial period	-	4,160,792	4,160,792
Distribution (Note 8)	-	(7,829,761)	(7,829,761)
Movement in unitholders' capital:			
Cancellation of units	(2,655,340)	-	(2,655,340)
Balance as at 30 September 2024	<u>215,771,518</u>	<u>(40,711,307)</u>	<u>175,060,211</u>
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>

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

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
	<u>Note</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	72,354,041	31,177,278
Purchase of investments	(68,242,844)	(32,473,979)
Interest income received	4,562,167	4,204,453
Management fee paid	(183,086)	(188,188)
Trustee fee paid	(36,617)	(37,639)
Fund accounting fee paid	(6,500)	(6,500)
Payment for other fees and expenses	(30,497)	(36,505)
Net realised gain on foreign currency exchange	891,358	5,194,309
Net realised loss on forward foreign currency contracts	(18,045)	(1,219,789)
Tax paid	(425,000)	(2,125,000)
	<hr/>	<hr/>
Net cash flows generated from operating activities	8,864,977	4,488,440
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments for cancellation of units	(2,679,572)	(888,368)
Payment for distribution	(7,829,761)	(9,416,602)
	<hr/>	<hr/>
Net cash flows used in financing activities	(10,509,333)	(10,304,970)
	<hr/>	<hr/>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,644,356)	(5,816,530)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(192,476)	(1,182,711)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	7,032,224	10,528,760
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	10 5,195,392	3,529,519
	<hr/> <hr/>	<hr/> <hr/>

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



## AHAM FLEXIBLE MATURITY INCOME FUND 19

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (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 financial period comprises current and deferred income tax.

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

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

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

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (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 and amount due from dealers 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, payables for fund accounting fee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

(ii) Recognition and measurement

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

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

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net (loss)/gain on financial assets at fair value through profit or 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, except forward foreign currency contracts are subsequently carried at amortised cost using the effective interest method.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

##### Definition of default and credit-impaired financial assets

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

##### Quantitative criteria:

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

##### Qualitative criteria:

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

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

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

##### 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**

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)**

#### **H CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **I AMOUNT DUE FROM/(TO) 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.

#### **J DERIVATIVE FINANCIAL INSTRUMENTS**

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

The Fund's derivative financial instruments comprise 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 measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss, respectively.

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

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

## **AHAM FLEXIBLE MATURITY INCOME FUND 19**

### **MATERIAL ACCOUNTING POLICY INFORMATION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)**

#### **K 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.

#### **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

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

#### 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 12.3 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 Deeds and the objective of the Fund.

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

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

The financial statements were authorised for issue by the Manager on 15 November 2024.



## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	5,195,392	-	5,195,392
Amount due from dealers		286,775	-	286,775
Unquoted fixed income securities	9	-	158,681,486	158,681,486
Forward foreign currency contracts	11	-	9,177,700	9,177,700
Total		<u>5,482,167</u>	<u>167,859,186</u>	<u>173,341,353</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	19,596	19,596
Amount due to dealer		155	-	155
Amount due to Manager				
- management fee		29,178	-	29,178
Amount due to Trustee		5,836	-	5,836
Fund accounting fee		1,083	-	1,083
Auditors' remuneration		4,136	-	4,136
Tax agent's fee		5,310	-	5,310
Other payables and accruals		1,894	-	1,894
Total		<u>47,592</u>	<u>19,596</u>	<u>67,188</u>
<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>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>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
		<u>48,630</u>	<u>5,567,252</u>	<u>5,615,882</u>
Total		<u>48,630</u>	<u>5,567,252</u>	<u>5,615,882</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>2024</u> RM	<u>2023</u> RM
<b>Unquoted investments</b>		
Unquoted fixed income securities*	<u>158,681,486</u>	<u>175,154,262</u>

\*Includes interest receivable of RM1,453,008 (2023: RM2,155,469)

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 3.00% (2023: 5.00%) and decreased by 3.00% (2023: 5.00%) 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 profit/ (loss) after <u>tax/NAV</u> RM
<u>2024</u>		
-3%	152,511,624	(4,716,854)
0%	157,228,478	-
+3%	161,945,332	4,716,854
<u>2023</u>		
-5%	164,348,853	(8,649,940)
0%	172,998,793	-
+5%	181,648,733	8,649,940

##### (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

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (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 profit/(loss) after taxation and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 1% (100 basis points) (2023: 2% (200 basis points)) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit/(loss) after tax/NAV</u>	
	<u>2024</u>	<u>2023</u>
	RM	RM
+ 1% (2023: 2%)	(647,012)	(1,616,800)
- 1% (2023: 2%)	654,471	1,650,082

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.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Market risk (continued)

##### (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:

	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from dealers</u> RM	<u>Total</u> RM
<u>2024</u>					
<u>Financial assets</u>					
Australian Dollar	9,244,193	795,252	181,385	-	10,220,830
Chinese Yuan	-	-	167	-	167
Euro	10,200,604	1,867,141	2,743,731	-	14,811,476
Pound Sterling	-	-	1,021	-	1,021
Singapore Dollar	8,892,143	106,401	78,259	-	9,076,803
United States Dollar	101,691,215	6,408,906	757,494	164,840	109,022,455
	<u>130,028,155</u>	<u>9,177,700</u>	<u>3,762,057</u>	<u>164,840</u>	<u>143,132,752</u>
			<u>Forward foreign currency contracts</u> RM	<u>Amount due to dealer</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>					
Australian Dollar			6,566	-	6,566
Singapore Dollar			13,030	155	13,185
			<u>19,596</u>	<u>155</u>	<u>19,751</u>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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

	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>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>5,567,252</u>	<u>161</u>	<u>5,567,413</u>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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

	<u>Change in price</u> %	Impact on profit/ (loss) after <u>tax/NAV</u> RM
<u>2024</u>		
Australian Dollar	+/-10	+/-1,021,426
Chinese Yuan	+/-10	+/-17
Euro	+/-10	+/-1,481,148
Pound Sterling	+/-10	+/-102
Singapore Dollar	+/-10	+/-906,362
United States Dollar	+/-10	<u>+/-10,914,439</u>
<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>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### 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.

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>2024</u>				
Basic Materials				
- Baa2	3,349,365	-	-	3,349,365
Consumer discretionary				
- AA1	4,289,641			4,289,641
- AA-	3,043,331	-	-	3,043,331
- Baa2	2,071,514	-	-	2,071,514
- BBB+	4,992,412	-	-	4,992,412
- BBB-	6,218,071	-	-	6,218,071
- Ba1	4,566,393	-	-	4,566,393
Energy				
- A3	8,599,948	-	-	8,599,948
- Ba3	3,272,486	-	-	3,272,486
Financials				
- AA2	-	2,771,275	-	2,771,275
- AA3	-	3,918,107	-	3,918,107
- AAA	-	2,488,318	5,195,392	7,683,710
- AA	8,081,127	-	-	8,081,127
- A3	9,833,191	-	-	9,833,191
- Baa1	9,599,937	-	-	9,599,937
- Baa2	8,087,311	-	-	8,087,311
- Baa3	5,554,107	-	-	5,554,107
- BBB+	2,884,598	-	-	2,884,598



## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2024</u> (continued)				
Financials (continued)				
- BBB-	6,345,756	-	-	6,345,756
- BBB	1,457,803	-	-	1,457,803
- Ba1	11,701,653	-	-	11,701,653
- Ba2	3,328,229	-	-	3,328,229
- Ba3	3,156,386	-	-	3,156,386
Government				
- BBB+	2,021,601	-	-	2,021,601
Health care				
- A	5,001,588	-	-	5,001,588
Industrials				
- A+	5,147,192	-	-	5,147,192
- A-	3,090,452	-	-	3,090,452
- BBB+	4,064,508	-	-	4,064,508
- NR	1,663,246	-	-	1,663,246
Real Estate				
- Baa1	8,194,391	-	-	8,194,391
- Baa2	3,200,932	-	-	3,200,932
- NR	2,432,016	-	-	2,432,016
Technology				
- Baa3	10,046,007	-	-	10,046,007
Telecommunications				
- Ba2	848,925	-	-	848,925
Utilities				
- Baa3	2,537,369	-	-	2,537,369
	<u>158,681,486</u>	<u>9,177,700</u>	<u>5,195,392</u>	<u>173,054,578</u>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2023</u>				
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

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2023</u> (continued)				
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

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Liquidity risk

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

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2024</u>			
Forward foreign currency contracts at fair value through profit or loss	-	19,596	19,596
Amount due to dealer	155	-	155
Amount due to Manager - management fee	29,178	-	29,178
Amount due to Trustee	5,836	-	5,836
Fund accounting fee	1,083	-	1,083
Auditors' remuneration	-	4,136	4,136
Tax agent's fee	-	5,310	5,310
Other payables and accruals	-	1,894	1,894
	<u>36,252</u>	<u>30,936</u>	<u>67,188</u>
<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>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

##### Capital risk

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

#### 3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active market (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the 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

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and financial liabilities (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2024</u>				
Financial assets at fair value through profit or loss:				
- unquoted fixed income securities	-	158,681,486	-	158,681,486
- forward foreign currency contracts	-	9,177,700	-	9,177,700
	<u>-</u>	<u>167,859,186</u>	<u>-</u>	<u>167,859,186</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	19,596	-	19,596
	<u>-</u>	<u>19,596</u>	<u>-</u>	<u>19,596</u>
<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
	<u>-</u>	<u>176,610,737</u>	<u>-</u>	<u>176,610,737</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	5,567,252	-	5,567,252
	<u>-</u>	<u>5,567,252</u>	<u>-</u>	<u>5,567,252</u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from dealers 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**

### **NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (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 2024, the management fee is recognised at a rate of 0.20% (2023: 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 2024, the Trustee fee is recognised at a rate of 0.04% (2023: 0.04%) per annum on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's 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 (2023: RM6,500) for the financial period.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 7 TAXATION

	6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
Current taxation	-	849,089

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

	6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
Net profit before taxation	4,160,792	202,842
Tax at Malaysian statutory rate of 24% (2023: 24%)	998,590	48,682
Tax effects of:		
(Investment income not subject to tax)	(1,059,214)	(111,750)
Expenses not deductible for tax purposes	15,978	17,467
Restriction on tax deductible expenses for Unit Trust Funds	44,646	45,601
Foreign investment income subject to tax	-	849,089
Tax expense	-	849,089



## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 8 DISTRIBUTION

6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
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Distributions to unitholders are from the following sources:

Interest income	2,947,126	2,055,737
Previous year's undistributed realised income	5,041,318	9,218,136
	<hr/>	<hr/>
Gross realised income	7,988,444	11,273,873
Less: Expenses	(158,683)	(1,857,271)
	<hr/>	<hr/>
Net distribution amount	<u>7,829,761</u>	<u>9,416,602</u>

i) During the 6 months financial period ended 30 September 2024, distributions were made as follows:

<u>Ex-date</u>	Gross distribution <u>per unit</u> sen	Net distribution <u>per unit</u> sen
10.9.2024	<u>3.7892</u>	<u>3.650</u>

ii) During the 6 months financial period ended 30 September 2023, distributions were made as follows:

<u>Ex-date</u>	Gross distribution <u>per unit</u> sen	Net distribution <u>per unit</u> sen
11.9.2023	<u>5.2128</u>	<u>4.260</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 RM5,041,318 (2023: RM9,218,136) made from previous financial year's realised income.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

	<u>2024</u> RM	<u>2023</u> RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	28,653,331	28,413,768
- unquoted fixed income securities – foreign	130,028,155	146,740,494
	<u>158,681,486</u>	<u>175,154,262</u>
	6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(10,538,916)	(21,701,424)
- unrealised (loss)/gain on changes in fair value	(4,342,524)	27,035,852
	<u>(14,881,440)</u>	<u>5,334,428</u>

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 30 September 2024 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
3.95% TG Excellence Bhd Call: 27.2.2025 (A)	5,000,000	4,926,495	5,001,588	2.86
4.15% Pac Lease Bhd 5.8.2025 (AA)	8,000,000	8,059,448	8,081,127	4.61
4.99% STM Lottery Sdn Bhd 30.6.2025 (AA-)	1,000,000	1,014,227	1,016,374	0.58
4.85% STM Lottery Sdn Bhd 29.1.2027 (AA-)	2,000,000	2,025,001	2,026,957	1.16
5.19% Genting Bhd 25.3.2027 (AA1)	4,200,000	4,206,756	4,289,641	2.45
5.55% Yinson Holdings Bhd 7.12.2026 (A+)	5,000,000	5,096,008	5,147,192	2.94
7.50% Yinson Holdings Bhd Call: 8.3.2029 (A-)	3,000,000	3,013,562	3,090,452	1.77
Total unquoted fixed income securities – local	<u>28,200,000</u>	<u>28,341,497</u>	<u>28,653,331</u>	<u>16.37</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>311,834</u>		
Total unquoted fixed income securities – local		<u>28,653,331</u>		

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 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>
3.95% TG Excellence Bhd Call: 27.2.2025 (A+)	5,000,000	4,925,878	4,935,997	2.81
4.15% Pac Lease Bhd 5.8.2025 (AA)	5,000,000	5,037,922	5,033,741	2.86
4.99% STM Lottery Sdn Bhd 30.6.2025 (AA-)	1,000,000	1,016,272	1,016,954	0.58
5.19% Genting Bhd 25.3.2027 (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
4.30% SP Setia Bhd Group 23.6.2026 (AA)	2,000,000	2,023,562	2,032,782	1.16
5.55% Yinson Holdings Bhd 07.12.2026 (A+)	5,000,000	5,099,473	5,103,792	2.90
4.30% Press Metal Aluminium Holdings Bhd 18.9.2028 (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><u>28,413,768</u></u>		

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

(b) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 30 September 2024 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
3.75% Barclays PLC Call: 23.5.2025 (Baa1)	3,217,500	3,460,926	3,259,195	1.86
5.00% Shinhan Bank Co Ltd 30.8.2028 (Baa1)	1,426,300	1,509,273	1,398,178	0.80
4.625% Cooperatieve Rabobank UA Call: 29.12.2025 (Baa3)	5,533,200	5,999,580	5,554,107	3.17
5.125% Sands China Ltd Call: 8.6.2025 (Baa2)	2,060,500	2,357,498	2,071,514	1.18
3.375% Far East Horizon Ltd 18.2.2025 (BBB-)	2,060,500	2,255,856	2,047,789	1.17
3.00% Geely Finance HK Ltd 5.3.2025 (BBB-)	2,472,600	2,805,225	2,449,246	1.40
4.75% Indonesia Asahan Aluminium Tbk Call: 15.4.2025 (Baa2)	3,296,800	3,491,757	3,349,365	1.91
4.75% Phoenix Group Holdings PLC Call: 4.6.2026 (BBB+)	2,060,500	2,148,327	2,042,085	1.17
4.375% BP Capital Markets PLC Call: 22.6.2025 (A3)	5,410,873	5,763,882	5,374,586	3.07
3.625% BP Capital Markets PLC Call: 22.3.2029 (A3)	1,844,400	1,878,685	1,828,042	1.04
2.376% Telefonica Europe BV Call: 12.2.2029 (Ba2)	922,200	982,544	848,925	0.49
1.625% AusNet Services Hldgs Pty Ltd Call: 11.9.2026 (Baa3)	599,430	623,335	572,210	0.33
2.625% AAC Technologies Holdings Inc Call: 2.5.2026 (Baa3)	3,090,750	3,240,839	2,997,339	1.71
3.70% HDFC Bank Ltd Call: 25.8.2026 (Ba3)	2,472,600	2,566,382	2,365,784	1.35
3.875% ING Groep NV Call: 16.5.2027 (Ba1)	1,236,300	1,264,315	1,135,209	0.65
4.30% Bank Negara Indonesia Call: 24.3.2027 (Ba3)	824,200	881,963	790,602	0.45
3.695% BNP Paribas SA Call: 24.2.2027 (Baa1)	2,282,080	2,420,768	2,215,250	1.27
6.25% Credit Suisse Group AG Call: 18.12.2024 (NR) *	3,296,800	3,580,869	-	-
2.625% TotalEnergies SE Call: 26.2.2025 (A3)	1,383,300	1,454,665	1,397,320	0.80
5.875% QBE Insurance Group Ltd Call: 17.6.2026 (BBB-)	6,181,500	6,915,372	6,345,756	3.63

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 30 September 2024 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.75% Argentum Netherlands BV Swiss Call: 15.8.2025 (BBB+)	4,945,200	5,373,404	4,992,412	2.85
5.00% Huarong Finance II Co Ltd 19.11.2025 (Ba2)	3,296,800	3,471,419	3,328,229	1.90
5.00% Fukoku Mutual Life Insurance Call: 28.7.2025 (Baa1)	1,236,300	1,416,405	1,242,915	0.71
5.83% BNP Paribas SA Call: 23.8.2029 (Baa2)	713,150	737,081	723,404	0.41
6.375% Celestial Dynasty Ltd Call: 22.7.2028 (NR)	1,648,400	1,772,616	1,663,246	0.95
7.263966% ANZ Holdings (New Zealand) Ltd Call: 18.10.2030 (BBB)	1,426,300	1,444,340	1,457,803	0.83
4.60% CapitalLand Ascott Trust Call: 7.2.2030 (NR)	804,375	868,126	834,324	0.48
6.625% Far East Horizon Ltd 16.4.2027 (BBB-)	1,648,400	1,945,050	1,721,036	0.98
8.75% Indika Energy Tbk PT Call: 7.5.2026 (Ba3)	3,090,750	3,679,003	3,272,486	1.87
6.211% HSBC Holdings PLC Call: 21.3.2029 (Baa1)	713,150	783,870	731,621	0.42
7.086% Lloyds Banking Group PLC Call 31.8.2028 (Baa1)	713,150	751,927	752,778	0.43
3.15% Keppel REIT Call: 11.09.2025 (NR)	1,608,750	1,700,262	1,597,692	0.91
3.00% CapitalLand Ascendas REIT Call: 17.9.2025 (Baa2)	3,217,500	3,295,462	3,200,932	1.83
5.00% Bangkok Bank PCL/Hong Kong Call: 23.9.2025 (Ba1)	4,121,000	4,235,157	4,087,254	2.34
4.75% Scentre Group Trust 2 Call: 24.6.2026 (Baa1)	8,242,000	8,268,070	8,194,391	4.68
7.5621% AusNet Services Hldgs Pty Ltd Call: 7.10.2025 (Baa3)	1,911,242	2,149,320	1,965,159	1.12
3.45% Dianjian Haiyu Ltd Call: 29.9.2025 (BBB+)	4,121,000	4,130,790	4,064,508	2.32
4.875% Julius Baer Group Ltd Call: 8.10.2026 (Ba1)	4,121,000	4,265,789	4,064,641	2.32
4.375% Svenska Handelsbanken AB Call: 1.3.2027 (Baa2)	3,296,800	3,439,694	3,256,977	1.86
2.375% Ocean Laurel Co Ltd 20.10.2025 (BBB+)	2,060,500	2,089,449	2,021,601	1.15
2.95% Australia New Zealand Bank Gp Call: 22.7.2025 (A3)	2,884,700	3,213,891	2,852,837	1.63

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 30 September 2024 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
5.625% Phoenix Group Holdings PLC Call: 29.1.2025 (BBB+)	824,200	852,897	842,513	0.48
2.894% Westpac Banking Corp Call: 4.2.2025 (A3)	7,005,700	7,689,216	6,980,354	3.99
3.516% Standard Chartered PLC Call: 12.2.2025 (Baa2)	4,121,000	4,663,079	4,106,930	2.35
4.00% Geely Automobile Holdings Ltd Call: 9.12.2024 (Ba1)	4,533,100	4,855,096	4,566,393	2.61
3.00% AAC Technologies Holdings Inc Call: 27.11.2024 (Baa3)	7,005,700	8,013,044	7,048,668	4.03
3.343% Kasikornbank Public Co Ltd Call: 2.10.2026 (Ba1)	2,472,600	2,678,418	2,414,549	1.38
5.625% Credit Suisse Group AG* Call: 6.6.2024 (C) *	1,608,750	1,743,638	-	-
Total unquoted fixed income securities – foreign	<u>135,063,850</u>	<u>145,128,574</u>	<u>130,028,155</u>	<u>74.28</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(15,100,419)</u>		
Total unquoted fixed income securities – foreign		<u>130,028,155</u>		

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 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>				
3.80% Huarong Finance 2017 Co 7.11.2025 (Ba1)	861,625	767,911	762,541	0.43
4.625% Volkswagen Intl Fin NV Call: 27.6.2028 (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
5.00% Dah Sing Bank Ltd Call: 15.1.2024 (Baa1)	7,039,500	6,573,331	7,061,010	4.01
5.75% Celestial Miles Ltd Call: 31.1.2024 (NR)	1,407,900	1,331,946	1,371,918	0.78
4.125% Ford Motor Credit Co LLC 20.6.2024 (BBB-)	1,723,250	1,544,350	1,726,594	0.98
3.375% Far East Horizon Ltd 18.2.2025 (BBB-)	2,346,500	2,166,823	2,142,428	1.22
3.30% DBS Group Holdings Ltd Call: 27.2.2025 (Baa1)	1,877,200	1,770,242	1,789,003	1.02
4.75% Indonesia Asahan Aluminium Tbk Call: 15.4.2025 (Baa2)	3,754,400	3,515,480	3,744,806	2.13
4.75% Phoenix Group Holdings PLC Call: 4.6.2026 (BBB+)	4,693,000	4,308,598	4,294,858	2.44
3.50% Volkswagen Intl Fin NV Call: 17.6.2025 (Baa2)	1,494,360	1,496,479	1,424,628	0.81
5.75% Argentum Netherlands BV Swiss Call: 15.8.2025 (BBB+)	3,754,400	3,495,663	3,643,822	2.07
5.00% 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: 22.6.2025 (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: 12.2.2029 (Ba2)	996,240	983,204	793,225	0.45
2.625% Far East Horizon Ltd 3.3.2024 (BBB-)	2,346,500	2,155,564	2,291,455	1.30
1.125% Barclays PLC Call: 22.3.2026 (Baa1)	996,240	826,869	885,490	0.50
3.875% ING Groep NV Call: 16.5.2027 (Ba1)	1,407,900	1,266,809	1,040,201	0.59

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 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: 24.2.2027 (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: 30.3.2025 (Baa3)	8,447,400	8,116,293	8,392,087	4.77
5.875% QBE Insurance Group Ltd Call: 17.6.2026 (-BBB)	7,039,500	6,937,593	6,824,600	3.88
5.25% Lloyds Banking Group PLC Call 22.8.2028 (Baa1)	861,625	858,907	862,360	0.49
7.086% Lloyds Banking Group PLC Call 31.8.2028 (Baa1)	761,825	752,027	765,795	0.44
5.30% HSBC Holdings PLC Call: 26.3.2029 (Baa1)	861,625	859,501	870,953	0.50
6.625% Julius Baer Group Ltd Call: 15.8.2029 (Baa3)	996,240	942,526	871,119	0.50
6.20% 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: 23.9.2025 (Ba1)	2,346,500	2,084,770	2,213,245	1.26
4.75% Scentre Group Trust 2 Call: 24.6.2026 (Baa1)	9,386,000	8,268,171	8,457,946	4.81
3.45% Dianjian Haiyu Ltd Call: 29.9.2025 (BBB)	4,693,000	4,211,854	4,530,349	2.57
2.875% CDB Financial Leasing Co Ltd Call: 28.9.2025 (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: 1.3.2027 (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: 14.1.2026 (Ba1)	3,984,960	3,694,176	3,358,094	1.91



## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
2.95% Australia New Zealand Bank Gp Call: 22.7.2025 (Baa1)	938,600	808,668	876,797	0.50
5.625% Phoenix Group Holdings PLC Call: 29.1.2025	2,815,800	2,571,096	2,600,726	1.48
4.00% Geely Automobile Holdings Ltd Call: 9.12.2024 (Baa3)	7,039,500	6,314,856	6,817,365	3.87
3.80% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	9,386,000	8,538,967	9,158,180	5.20
3.00% 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: 6.6.2024 (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>		

\* Credit Suisse Group AG

Following the unprecedented and controversial decision by the Swiss Financial Market Supervisory Authority (“FINMA”) on 19 March 2023 to write down CHF16 billion of Credit Suisse’s Additional Tier 1 (“AT1”) securities, UBS Group AG (“UBS”) announced on 12 June 2023 that it had formally completed the acquisition of Credit Suisse. The now-enlarged UBS will have a balance sheet of USD1.6 trillion. According to news during the reporting period, UBS was also looking to reduce the total combined workforce by around 30% or 25,000 employees. Credit Suisse’s total headcount was reported at around 45,000.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

\* Credit Suisse Group AG (continued)

On 11 August 2023, UBS announced that it has ended the CHF9 billion loss protection agreement and the CHF100 billion public liquidity backstop that were initially put in place by the Swiss government back in March. This announcement followed a comprehensive assessment of Credit Suisse's potential losses which were not as significant as earlier anticipated. Additionally, Credit Suisse has also fully repaid an emergency liquidity assistance loan of CHF50 billion obtained from the Swiss National Bank ("SNB").

Further to this, on 31 August 2023, UBS posted its quarterly earnings results following its acquisition of Credit Suisse. It reported a quarterly profit before tax of USD29.2 billion, including a USD28.9 billion of negative goodwill from the acquisition. If excluding the negative goodwill and also integration-related expenses and acquisition costs, UBS's adjusted profit before tax is USD1.1 billion. UBS also provided updates on the integration of Credit Suisse and financial targets by year-end 2026. Amongst the targets, UBS is aiming for USD10 billion worth of cost savings that is aimed to be achieved through the restructuring of its non-core and Credit Suisse Investment Banking segments, as well as from business synergies across its core businesses. UBS reported a Common Equity Tier 1 ("CET1") capital ratio of 14.4% and targets a ~14% CET1 capital ratio over the medium term.

Since the announcement in March 2023, several investor groups globally have initiated legal proceedings seeking compensation as a result of the write-down. Quinn Emanuel Urquhart & Sullivan LLP ("Quinn Emanuel") and UK-based Pallas launched separate Swiss lawsuits against FINMA over the decision. Quinn Emanuel is representing plaintiffs with \$6 billion of AT1 claims, while Pallas's clients holds about \$2 billion of Credit Suisse AT1 securities. The Manager has appointed Quinn Emanuel Urquhart & Sullivan LLP ("Quinn Emanuel"), to represent its investors for those affected funds and portfolio, including unitholders of the Fund.

As of June 7, 2023, Quinn Emanuel informed the Manager and other global AT1 bondholders that the Swiss Federal Administrative Court ("SFAC") had acknowledged receipt of the filing made by the firm on April 18, 2023. A judge was assigned to oversee the proceedings. The Court ordered the disclosure of FINMA's decree ordering Credit Suisse to write down the AT1 bonds, requested the appellants' further submissions on the decree's significance, and ordered FINMA to produce the full file regarding its write-down decision. This file would encompass a comprehensive set of materials FINMA used to write down the AT1 bonds.

As of 11 March 2024, there have been no developments in the FINMA appeal. Quinn Emanuel, together with all other appellant groups, are still waiting for the Administrative Court to send them UBS's and FINMA's reply submissions. Quinn Emanuel is preparing a letter to the Court to ask for an update which can be submitted to the Court at the appropriate time. The legal proceeding is currently ongoing, and the Manager will maintain close communications with Quinn Emanuel on the progress of the lawsuit.

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

\*\* Times China Holdings Ltd

Times China Holdings Ltd (“Times China”)

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. The extension plans for onshore bonds were passed at the end of February 2023. The Manager awaits further details on the restructuring plan of the offshore bonds. The company disclosed that the management is still working with its offshore creditors on the restructuring plan and aims to announce the terms as soon as possible. Times China’s bonds are still tradable in the market as of the date of the financial statement.

On the other hand, Times China disclosed in April 2024 that Hang Seng Bank Limited filed a winding-up petition against the company at Hong Kong’s High Court in connection with financial obligations in the amount of US\$173.2 million and HK\$731.4 million respectively. The High Court has set the first hearing date for the petition on 3 July 2024.

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 after their notice to inform that they did not cure the missed coupon interest payments within the 30 days grace period. Moody's later withdrew their ratings in February 2024. S&P downgraded Times' rating in January 2022 from BB- to B+ and subsequently withdrew 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

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 10 CASH AND CASH EQUIVALENTS

	<u>2024</u> RM	<u>2023</u> RM
Cash and bank balances	3,874,760	3,389,465
Deposit with a licensed financial institution	1,320,632	140,054
	<u>5,195,392</u>	<u>3,529,519</u>

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

	<u>2024</u> %	<u>2023</u> %
Deposit with a licensed financial institution	<u>3.05</u>	<u>3.20</u>

The deposit with a licensed financial institution has an average maturity of 1 day (2023: 2 days).

#### 11 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 21 (2023: 16) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM138,622,503 (2023: RM140,076,052). 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 AUD, 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>2024</u> RM	<u>2023</u> RM
Financial assets at fair value through profit or loss: - forward foreign currency contracts	<u>9,177,700</u>	<u>1,456,475</u>
Financial liabilities at fair value through profit or loss: - forward foreign currency contracts	<u>19,596</u>	<u>5,567,252</u>
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss: - realised loss on forward foreign currency contracts	(18,045)	(1,219,789)
- unrealised gain/(loss) on forward foreign currency contracts	15,305,317	(7,047,408)
	<u>15,287,272</u>	<u>(8,267,197)</u>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 30 September 2024 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd	60,707,417	56,802,340	3,905,077	2.23
BNP Paribas Malaysia Bhd	37,387,702	34,616,427	2,771,275	1.58
CIMB Bank Bhd	35,353,320	33,161,045	2,192,275	1.25
Standard Chartered Bank Malaysia Bhd	5,174,064	4,884,587	289,477	0.17
Total forward foreign currency contracts	<u>138,622,503</u>	<u>129,464,399</u>	<u>9,158,104</u>	<u>5.23</u>

(ii) 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>

#### 12 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u> No. of units	<u>2023</u> No. of units
Balance as at the beginning of the financial period	216,906,000	221,947,000
Cancellation of units	<u>(3,178,000)</u>	<u>(1,065,000)</u>
At the end of the financial period	<u>213,728,000</u>	<u>220,882,000</u>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 13 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the 6 months financial period ended 30 September 2024 are as follows:

<u>Name of dealers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>
DBS Bank Ltd	14,371,485	9.94
Australia & New Zealand Banking Group Ltd	14,102,746	9.76
Deutsche Bank (M) Bhd	14,092,327	9.75
Hong Leong Investment Bank Bhd	12,680,000	8.77
BNP Paribas Securities	11,626,077	8.04
Standard Chartered Bank Malaysia Bhd	11,041,827	7.64
JP Morgan Chase Bank Bhd	7,636,171	5.28
Affin Hwang Investment Bank Bhd	7,124,393	4.93
Westpac Banking Corporation	5,900,424	4.08
Public Bank Bhd	5,830,000	4.03
Others	40,140,777	27.78
	<u>144,546,227</u>	<u>100.00</u>

- (ii) 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>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>
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>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 13 TRANSACTIONS WITH DEALERS (CONTINUED)

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

<u>Name of dealers</u>	6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
Affin Hwang Investment Bank Bhd	876,347	5,911,720
MarketAxess Holdings Inc	7,034,200	-
	<u>7,910,547</u>	<u>5,911,720</u>

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

	6 months financial period ended <u>30.9.2024</u> RM	6 months financial period ended <u>30.9.2023</u> RM
AHAM Wholesale Corporate Bond Fund	-	1,004,220
AHAM Income Fund 7	-	4,907,500
AHAM Income Extra Fund	2,017,600	-
AHAM Select Asia Pacific (ex Japan) Balanced Fund	3,007,800	-
Private mandate	2,885,147	-
	<u>7,910,547</u>	<u>5,911,720</u>

## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Manager and former ultimate holding corporate body 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
Directors of AHAM Asset Management Berhad	Directors of the Manager

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

	<u>2024</u>		<u>2023</u>	
<u>The Manager:</u>	No. of units	RM	No. of units	RM
AHAM Asset Management Berhad (The units are held legally for booking purposes)	3,930	3,219	2,562	2,041

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



## AHAM FLEXIBLE MATURITY INCOME FUND 19

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

#### 15 TOTAL EXPENSE RATIO (“TER”)

	6 months financial period ended <u>30.9.2024</u> %	6 months financial period ended <u>30.9.2023</u> %
TER	<u>0.14</u>	<u>0.14</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM181,132,918 (2023: RM184,890,476).

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

	6 months financial period ended <u>30.9.2024</u>	6 months financial period ended <u>30.9.2023</u>
PTR (times)	<u>0.40</u>	<u>0.24</u>

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 = RM66,553,880 (2023: RM32,473,979)  
total disposal for the financial period = RM78,526,456 (2023: RM57,978,447)

## **AHAM 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 2024 and of its financial performance, changes in equity and cash flows for the 6 month financial period ended 30 September 2024 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 2024

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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### **PENANG**

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### **PERAK**

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### **PETALING JAYA**

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### **MELAKA**

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## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SABAH**

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### **SARAWAK - MIRI**

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Fax : 085 – 418 372

**AHAM Asset Management Berhad**

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