



**ANNUAL REPORT**  
31 August 2024

# **AHAM Select AUD Income Fund**

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 SELECT AUD INCOME FUND

## Annual Report and Audited Financial Statements For Financial Year Ended 31 August 2024

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## FUND INFORMATION

Fund Name	AHAM Select AUD Income Fund
Fund Type	Income & Growth
Fund Category	Fixed Income
Investment Objective	The Fund endeavours to provide regular and steady income distribution over the long-term
Benchmark	80% Reserve Bank of Australia Average Rate of Term Deposit + 20% FTSE Australia High Dividend Yield Index
Distribution Policy	The Fund endeavours to distribute income on a semi-annual basis. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.

## FUND PERFORMANCE DATA

Category	As at 31 Aug 2024 (%)	As at 31 Aug 2023 (%)	As at 31 Aug 2022 (%)
Portfolio composition			
<b>Quoted equities</b>			
- Basic materials	3.58	3.10	3.55
- Consumer discretionary	2.76	1.40	1.66
- Consumer staples	0.38	0.50	-
- Consumer services	-	-	-
- Financial services	6.10	4.21	0.04
- Healthcare	0.75	1.29	4.29
- Industrial	1.70	0.49	-
- Energy	1.61	2.71	1.95
- Technology	0.60	-	-
- Telecommunication	1.09	0.87	1.59
- Real estate	0.92	1.52	5.04
- Utilities	0.29	-	-
<b>Total quoted equities</b>	<b>19.78</b>	<b>16.09</b>	<b>18.12</b>
<b>Unquoted fixed income securities</b>	<b>76.52</b>	<b>82.84</b>	<b>76.97</b>
<b>Cash &amp; cash equivalent</b>	<b>3.70</b>	<b>1.07</b>	<b>4.91</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Currency class	<u>RM</u> <u>Class</u>	<u>AUD</u> <u>Class</u>	<u>RM</u> <u>Class</u>	<u>AUD</u> <u>Class</u>	<u>RM</u> <u>Class</u>	<u>AUD</u> <u>Class</u>
Total NAV (million)	22.559	101.773	25.698	128.685	31.948	158.512
NAV per unit (respective currencies)	0.5156	0.6055	0.5078	0.5847	0.5362	0.5959
Unit in Circulation (million)	43.754	168.077	50.610	220.097	59.583	266.026
Highest NAV	0.5421	0.6055	0.5391	0.6032	0.6008	0.6722
Lowest NAV	0.4944	0.5673	0.4945	0.5711	0.5153	0.5863
Return of the Fund (%)	5.78	7.38	-1.45	2.20	-7.10	-9.52
- Capital Return (%)	1.54	3.08	-5.30	-1.88	-9.16	-11.32
- Income Return (%)	4.18	4.17	4.06	4.15	2.27	2.04
Gross Distribution per Unit (sen)	2.47	2.72	2.38	2.63	1.25	1.28
Net Distribution per Unit (sen)	2.16	2.40	2.06	2.40	1.25	1.28
Total Expenses Ratio (%) <sup>1</sup>		1.62		1.62		1.60
Portfolio Turnover Ratio (times) <sup>2</sup>		0.76		0.53		0.59

<sup>1</sup> The Fund's TER was unchanged over the financial year.

<sup>2</sup> The Fund's PTR was higher than previous year due to higher trading activities of the Fund over the financial year under review.

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

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

An illustration of the above would be as follow:-

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

**Income Distribution / Unit Split**

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

**RM Class**

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
18-Jun-24	19-Jun-24	0.5367	0.0055	0.5343
19-Mar-24	20-Mar-24	0.5319	0.0055	0.5274
19-Dec-23	20-Dec-23	0.5342	0.0055	0.5301
19-Sep-23	20-Sep-23	0.5127	0.0051	0.5060
20-Jun-23	21-Jun-23	0.5306	0.0051	0.5251
14-Mar-23	15-Mar-23	0.5178	0.0055	0.5118
20-Dec-22	21-Dec-22	0.5086	0.0045	0.5043
20-Sep-22	21-Sep-22	0.5272	0.0055	0.5184
14-Jun-22	15-Jun-22	0.5274	0.0030	0.5204
15-Mar-22	16-Mar-22	0.5528	0.0030	0.5519
14-Dec-21	15-Dec-21	0.5741	0.0035	0.5702
19-Sep-21	20-Sep-21	0.5914	0.0030	0.5825

**AUD Class**

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
18-Jun-24	19-Jun-24	0.5942	0.0060	0.5877
19-Mar-24	20-Mar-24	0.5958	0.0060	0.5904
19-Dec-23	20-Dec-23	0.5857	0.0060	0.5807
19-Sep-23	20-Sep-23	0.5838	0.0060	0.5761
20-Jun-23	21-Jun-23	0.5822	0.0060	0.5769
14-Mar-23	15-Mar-23	0.5999	0.0060	0.5929
20-Dec-22	21-Dec-22	0.5930	0.0060	0.5877
20-Sep-22	21-Sep-22	0.5966	0.0060	0.5894
14-Jun-22	15-Jun-22	0.5949	0.0030	0.5873
15-Mar-22	16-Mar-22	0.6309	0.0030	0.6280
14-Dec-21	15-Dec-21	0.6572	0.0035	0.6531
19-Sep-21	20-Sep-21	0.6687	0.0033	0.6625

## Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
RM	19-Jun-24	0.5500	100.0	-	-
RM	20-Mar-24	0.2700	49.1	0.2800	50.9
RM	20-Dec-23	0.4400	80.0	0.1100	20.0
RM	20-Sep-23	0.5100	100.0	-	-
RM	21-Jun-23	0.4300	84.3	0.0800	15.7
RM	15-Mar-23	0.5500	100.0	-	-
RM	21-Dec-22	0.4500	100.0	-	-
RM	21-Sep-22	0.5500	100.0	-	-
RM	15-Jun-22	0.3000	100.0	-	-
RM	16-Mar-22	0.3000	100.0	-	-
RM	15-Dec-21	0.3500	100.0	-	-
RM	20-Sep-21	0.3000	100.0	-	-
AUD	19-Jun-24	0.6000	100.0	-	-
AUD	20-Mar-24	0.2800	46.7	0.3200	53.3
AUD	20-Dec-23	0.4700	78.3	0.1300	21.7
AUD	20-Sep-23	0.5800	96.7	0.0200	3.3
AUD	21-Jun-23	0.3600	60.0	0.2400	40.0
AUD	15-Mar-23	0.6000	100.0	-	-
AUD	21-Dec-22	0.6000	100.0	-	-
AUD	21-Sep-22	0.6000	100.0	-	-
AUD	15-Jun-22	0.3000	100.0	-	-
AUD	16-Mar-22	0.3000	100.0	-	-
AUD	15-Dec-21	0.3500	100.0	-	-
AUD	20-Sep-21	0.3300	100.0	-	-

## Fund Performance

Table 1: Performance of the Fund

	1 Year (1/9/23 - 31/8/24)	3 Years (1/9/21 - 31/8/24)	5 Years (1/9/19 - 31/8/24)	Since Commencement (8/4/10 - 31/8/24)
Fund	5.78%	(3.16%)	12.95%	78.20%
Benchmark	4.32%	7.32%	24.60%	68.17%
Outperformance	1.46%	(10.48%)	(11.65%)	10.03%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/23 - 31/8/24)	3 Years (1/9/21 - 31/8/24)	5 Years (1/9/19 - 31/8/24)	Since Commencement (8/4/10 - 31/8/24)
Fund	5.78%	(1.06%)	2.46%	4.09%
Benchmark	4.32%	2.38%	4.49%	3.67%
Outperformance	1.46%	(3.44%)	(2.03%)	0.42%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/9/23 - 31/8/24)	FYE 2023 (1/9/22 - 31/8/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)
Fund	5.78%	(1.45%)	(7.10%)	7.63%	8.36%
Benchmark	4.32%	2.47%	0.41%	7.99%	7.51%
Outperformance	1.46%	(3.92%)	(7.51%)	(0.36%)	0.85%

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

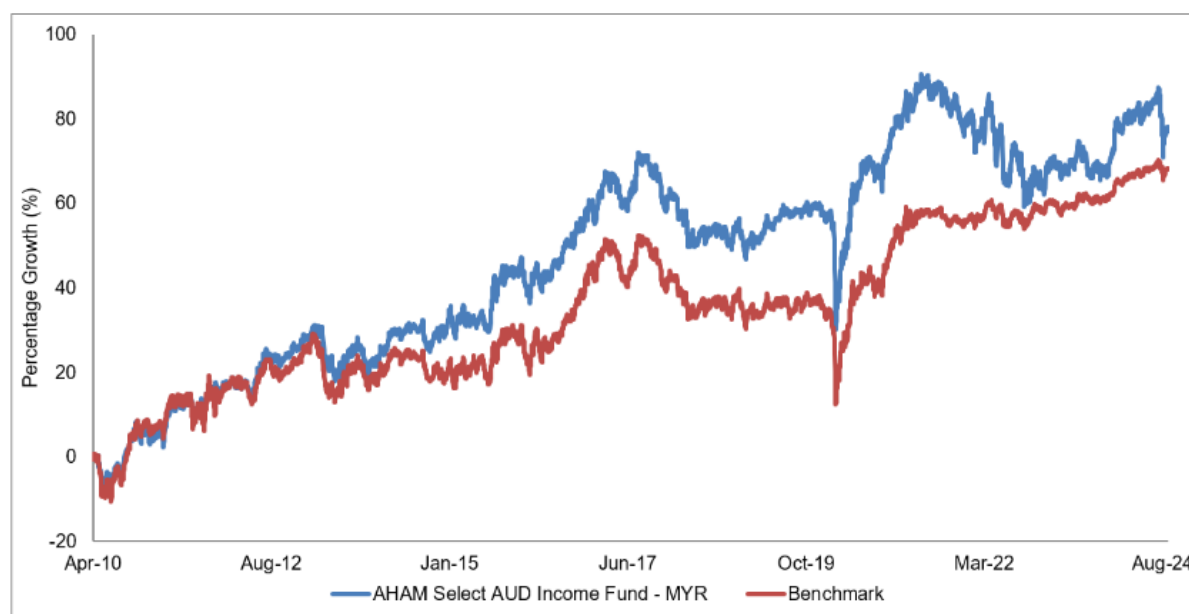
### Performance Review (1 September 2023 to 31 August 2024)

#### RM Class

For the period 1 September 2023 to 31 August 2024, the Fund registered a 5.78% return compared to the benchmark return of 4.32%. The Fund thus outperformed the Benchmark by 1.46%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2024 was MYR0.5156 while the NAV as at 31 August 2023 was MYR0.5078. During the period under review, the Fund has declared a total income distribution of MYR0.0216 per unit.

Since commencement, the Fund has registered a return of 78.20% compared to the benchmark return of 68.17%, outperforming by 10.02%.

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



#### AUD Class

For the period 1 September 2023 to 31 August 2024, the Fund registered a 7.88% return compared to the benchmark return of 4.81%. The Fund thus outperformed the Benchmark by 3.07%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2024 was AUD0.6055 while the NAV as at 31 August 2023 was AUD0.5847. During the period under review, the Fund has declared a total income distribution of AUD0.0240 per unit.

Since commencement, the Fund has registered a return of 79.78% compared to the benchmark return of 53.76%, outperforming by 26.02%.

Table 1: Performance of the Fund

	1 Year (1/9/23 - 31/8/24)	3 Years (1/9/21 - 31/8/24)	5 Years (1/9/19 - 31/8/24)	Since Commencement (19/3/11 - 31/8/24)
Fund	7.88%	(0.24%)	8.80%	79.78%
Benchmark	4.81%	7.76%	12.51%	53.76%
Outperformance	3.07%	(8.00%)	(3.71%)	26.02%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/23 - 31/8/24)	3 Years (1/9/21 - 31/8/24)	5 Years (1/9/19 - 31/8/24)	Since Commencement (19/3/11 - 31/8/24)
Fund	7.88%	(0.08%)	1.70%	4.45%
Benchmark	4.81%	2.52%	2.38%	3.25%
Outperformance	3.07%	(2.60%)	(0.68%)	1.20%

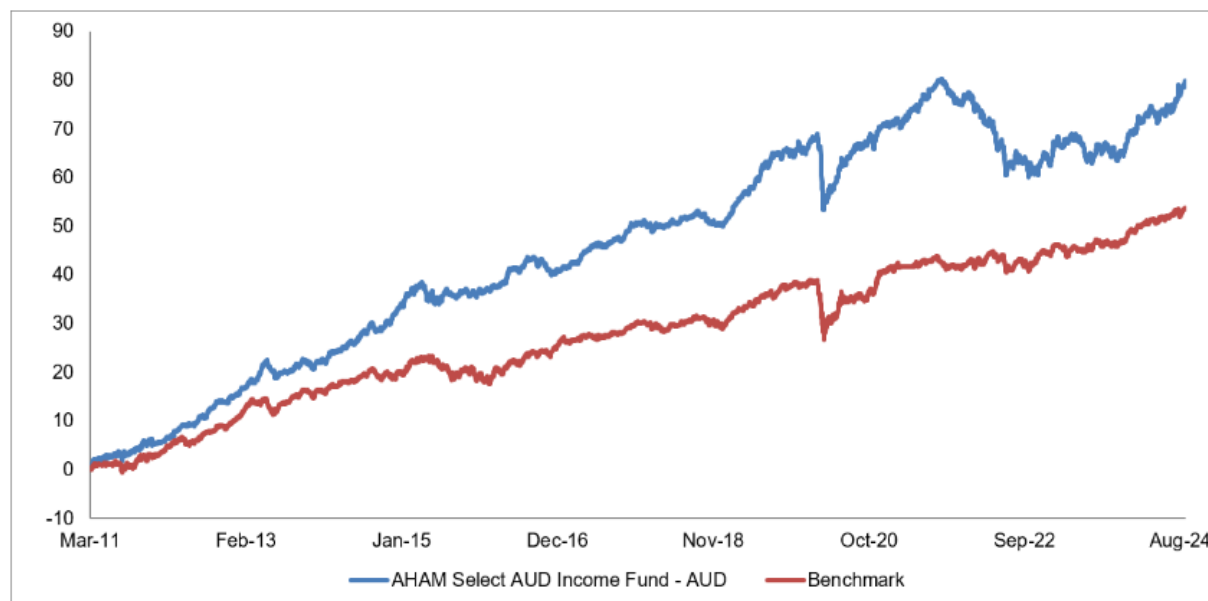
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/9/23 - 31/8/24)	FYE 2023 (1/9/22 - 31/8/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)
Fund	7.88%	2.20%	(9.52%)	8.43%	0.58%
Benchmark	4.81%	2.76%	0.05%	4.90%	(0.46%)
Outperformance	3.07%	(0.56%)	(9.57%)	3.53%	1.04%

Source of Benchmark: Bloomberg

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



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

*Benchmark: 80% Reserve Bank of Australia (RBA) Average Rate of Term Deposits (across all terms) + 20% Dow Jones Australia Select Dividend 30 Index*



## **Asset Allocation**

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

As at 31 August 2024, the asset allocation of the Fund stood at 19.78% in equities, 76.52% in fixed income instruments while the balance was held in cash and cash equivalent. During the year under review, the Manager increased exposures towards equities in overall, although exposures into fixed income securities were decreased. Cash holdings level increased.

## **Strategies Employed**

The Fund focuses on achieving its objective by investing in a diversified portfolio of mostly fixed income and a maximum 30% exposure to equities.

For fixed income, we have been actively participating in primary corporate bond issuances and gradually lengthening our portfolio duration to lock in attractive bond yields ahead of Reserve Bank of Australia's eventual policy easing. We remain credit selective and prefer high quality investment grade credits given the cautious economic outlook. We expect to maintain a highly diversified portfolio of corporate bonds across various sectors, including those that are less sensitive to economic downturns such as utilities, infrastructure and consumer staples.

On the equity front, we are mindful of the current market valuation and highly selective on firms that are poised to benefit from structural growth as well as active measures to support market share gain and profitability improvement. As it stands, our equity holdings have a defensive tilt, with overweight positioning in sectors such as healthcare, real estate investment trusts ("REITs"), and telecommunications. In addition, we favor selected consumer and industrial names with company-specific catalysts. These are funded by our underweight positions in basic material and energy sectors.

Over the year under review, the Manager continued to focus quality as we maintained a defensive stance in our allocation and continue to keep the Fund's duration short. Although we have passed the period of accelerated sell-down and high volatility, we will continue to keep close monitor and stay vigilant towards market development as we continue to navigate through inflationary pressures and high interest rates environment.

## **Market Review**

Several key developments have influenced global bond markets, including geopolitical tensions, fluctuating economic conditions 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 United States ("U.S.") 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 global bond market has navigated a complex landscape over the past year.

The yield on U.S. Treasuries has experienced significant fluctuations, particularly in the context of anticipated interest rate cuts by the Federal Reserve. Having said that, over the past twelve months ending August 2024, the Treasury Index recorded a gain of 2.60%. 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.

Australian Commonwealth Government Bonds ("ACGB") returned 2.64% in the year-to-date ending August 2024, outperforming its U.S. counterpart marginally. ACGB directional momentum had been driven more by global influences than domestic data. Australia's gross domestic product ("GDP") grew a mere 0.1% in the first quarter of 2024, marking the lowest annual growth since December 2020. Weak GDP growth can be attributed to a slowdown in household consumption as discretionary spending had been reduced amidst high cost of living and interest rates. Labor conditions are showing signs of easing as unemployment rose gradually to 4.2% in August 2024. Inflation had come off its peak but the return to Reserve Bank of Australia's 2-3% target range had been slower than expected due to persistent wage pressure and high service cost. As such, Reserve Bank of Australia has maintained a more hawkish stance vis-à-vis other global central banks and is likely to begin its rate cut cycle later than its U.S. and Europe peers.

The AUD corporate credit market saw robust activity with record primary issuance volumes that are met with robust investor demand. Resilient underlying credit profiles, attractive absolute yields and higher offshore investor participation were key drivers for the strong credit spread compression we have seen year to date (“YTD”) in the AUD corporate credit market. Domestic liquidity is ample with demand for credits and duration coming from pension funds and lifers. Australian credit spreads have outperformed those in U.S. and Europe where economic slowdown have led to rising corporate default rates.

The ASX 200 index, a benchmark for the Australian equity market, gained by nearly 15% in AUD terms from 1 September 2023 to 31 August 2024. The index was predominantly driven by the banking and consumer sectors, which delivered better-than-expected profitability amidst a resilient domestic economy and easing inflationary pressure. The index performance was partially tampered by the weakness in the material sectors as key bulk commodity prices, such as iron ore and lithium, have fallen because of anemic economic activity in China, which is a key commodity importer. Valuation of the local bourse continued to expand higher during the period under review, reaching the top end of the past three years. This was likely due to rising investors’ interest in the defensive earnings outlook of the Australia market.

### **Investment Outlook**

While Australia’s economy showed resilience with continuous GDP growth through early 2024, it faced challenges such as weak household consumption, persistent inflationary pressures, and declining business investments. The outlook remains cautious as economic activity is expected to remain subdued moving forward into late 2024 and early 2025. The weaker economic activity will lead inflation back towards Reserve Bank of Australia’s (“RBA’s”) target and creates an opportunity for Reserve Bank of Australia to begin easing its monetary policy stance. Global demand, especially from China, for commodities would affect the country’s exports in which commodities play dominant role in. The Chinese economy continues to struggle with sluggish home sales and domestic consumption. Although various stimulus measures have been implemented, they have yet to successfully accelerate the Chinese economy. Global geopolitical developments are another important driver of financial markets. The U.S. presidential election in November 2024 could lead to changes in domestic policies affecting U.S. businesses and, in turn, global trade activities.

We maintain our constructive outlook for Australian fixed income assets in 2024, with an overweight for credits given robust fundamental and technical backdrop. On the equity front, we have a neutral stance, given the elevated market valuation, but still envisage pockets of opportunity in companies that could potentially deliver above-sector growth.

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

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

### **Soft Commissions received from Brokers**

Soft commissions received from brokers/dealers may be retained by the management company only if the :-

- (i) goods and services provided are of demonstrable benefit to unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial year under review, the Fund has received soft commissions from brokers/dealers who have also executed trades for other funds managed by AHAM Asset Management Berhad. The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

### **Cross Trade**

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

### **Securities Financing Transactions**

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

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

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

## **TRUSTEE'S REPORT TO THE UNIT HOLDERS OF AHAM SELECT AUD INCOME FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 August 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 distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

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

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

Kuala Lumpur  
24 October 2024

**AHAM SELECT AUD INCOME FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

# **AHAM SELECT AUD INCOME FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024**

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## AHAM SELECT AUD INCOME FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	<u>Note</u>	<u>2024</u> AUD	<u>2023</u> AUD
<b>INVESTMENT INCOME</b>			
Dividend income		877,616	1,278,314
Interest income from financial assets at fair value through profit or loss		3,840,275	5,492,695
Interest income from financial assets at amortised cost		88,219	112,233
Net gain on foreign currency exchange		30,876	23,961
Net loss on forward foreign currency contracts at fair value through profit or loss	12	-	(5,862)
Net gain on financial assets at fair value through profit or loss	10	5,701,952	751,345
Other income	6	-	1,000
		<u>10,538,938</u>	<u>7,653,686</u>
<b>EXPENSES</b>			
Management fee	4	(1,790,876)	(2,332,978)
Trustee fee	5	(95,661)	(124,497)
Fund accounting fee		(6,792)	(5,211)
Auditors' remuneration		(3,492)	(3,430)
Tax agent's fee		(1,299)	(1,274)
Transaction costs		(107,375)	(186,384)
Other expenses		(48,738)	(81,693)
		<u>(2,054,233)</u>	<u>(2,735,467)</u>
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>		8,484,705	4,918,219
<b>FINANCE COST (EXCLUDING DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>			
Distributions	7	(4,965,964)	(6,375,882)
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		3,518,741	(1,457,663)
Taxation	8	294,322	(1,509,981)
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>3,813,063</u>	<u>(2,967,644)</u>

## AHAM SELECT AUD INCOME FUND

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

	<u>Note</u>	<u>2024</u> AUD	<u>2023</u> AUD
Increase/(decrease) in net assets attributable to unit holders is made up of the following:			
Realised amount		(4,830,611)	(5,249,869)
Unrealised amount		8,643,674	2,282,225
		<u>3,813,063</u>	<u>(2,967,644)</u>

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



## AHAM SELECT AUD INCOME FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	<u>Note</u>	<u>2024</u> AUD	<u>2023</u> AUD
<b>ASSETS</b>			
Cash and cash equivalents	11	3,256,494	2,266,491
Amount due from Manager			
- creation of units		-	37,139
Dividends receivable		113,133	172,387
Financial assets at fair value through profit or loss	10	105,401,435	135,782,240
Tax recoverable		916,828	218,473
<b>TOTAL ASSETS</b>		<u>109,687,890</u>	<u>138,476,730</u>
<b>LIABILITIES</b>			
Amount due to brokers		-	275,193
Amount due to Manager			
- management fee		138,825	175,617
- cancellation of units		87,037	424,066
Amount due to Trustee		7,404	9,366
Fund accounting fee		595	584
Auditors' remuneration		3,480	3,540
Tax agent's fee		1,087	1,286
Deferred tax liabilities	9	-	327,611
Other payables and accruals		1,150	1,483
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>239,578</u>	<u>1,218,746</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>109,448,312</u>	<u>137,257,984</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>109,448,312</u>	<u>137,257,984</u>

## AHAM SELECT AUD INCOME FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> AUD	<u>2023</u> AUD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- RM Class		7,675,199	8,573,046
- AUD Class		101,773,113	128,684,938
		<u>109,448,312</u>	<u>137,257,984</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- RM Class	13(a)	43,754,000	50,610,000
- AUD Class	13(b)	168,077,000	220,097,000
		<u>211,831,000</u>	<u>270,707,000</u>
<b>NET ASSET VALUE PER UNIT (AUD)</b>			
- RM Class		0.1754	0.1694
- AUD Class		0.6055	0.5847
		<u>0.1754</u>	<u>0.1694</u>
		<u>0.6055</u>	<u>0.5847</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- RM Class		RM0.5156	RM0.5078
- AUD Class		AUD0.6055	AUD0.5847
		<u>RM0.5156</u>	<u>RM0.5078</u>
		<u>AUD0.6055</u>	<u>AUD0.5847</u>

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

## AHAM SELECT AUD INCOME FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	<u>2024</u> AUD	<u>2023</u> AUD
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	137,257,984	168,789,352
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	6,110,749	9,672,278
- RM Class	3,062,571	3,005,634
- AUD Class	3,048,178	6,666,644
Creation of units arising from distributions	3,832,890	5,537,811
- RM Class	303,924	356,672
- AUD Class	3,528,966	5,181,139
Cancellation of units	(41,566,374)	(43,773,813)
- RM Class	(4,539,595)	(4,927,164)
- AUD Class	(37,026,779)	(38,846,649)
Net increase/(decrease) in net assets attributable to unit holders during the financial year	3,813,063	(2,967,644)
- RM Class	275,253	(139,686)
- AUD Class	3,537,810	(2,827,958)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>109,448,312</u>	<u>137,257,984</u>

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

## AHAM SELECT AUD INCOME FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Notes	<u>2024</u> AUD	<u>2023</u> AUD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		90,602,333	88,202,511
Proceeds from redemption of investments		17,204,340	7,500,000
Purchase of investments		(72,070,358)	(70,110,264)
Dividends received		677,988	812,101
Interest received		4,138,962	5,128,868
Management fee paid		(1,827,668)	(2,374,834)
Trustee fee paid		(97,623)	(126,730)
Realised loss on forward foreign currency contracts		-	(5,862)
Payments for other fees and expenses		(48,226)	(60,597)
Tax paid		(685,415)	(1,657,788)
Net realised (loss)/gain on foreign currency exchange		(15,332)	6,841
Other income received	6	-	1,000
		<hr/>	<hr/>
Net cash flows generated from operating activities		37,879,001	27,315,246
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		6,147,888	9,635,139
Payments for cancellation of units		(41,903,403)	(43,414,397)
Payments for distributions		(1,133,074)	(838,071)
		<hr/>	<hr/>
Net cash flows used in financing activities		(36,888,589)	(34,617,329)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		990,412	(7,302,083)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>			
		(409)	17,120
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		<hr/>	<hr/>
		2,266,491	9,551,454
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
	11	<hr/> <hr/>	<hr/> <hr/>
		3,256,494	2,266,491

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

## AHAM SELECT AUD INCOME FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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

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

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their 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 N.

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

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

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

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

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 SELECT AUD INCOME FUND

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

#### B INCOME RECOGNITION

##### Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

##### 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 quoted equities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

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 DISTRIBUTIONS

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

At the Manager's discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.

## **AHAM SELECT AUD INCOME FUND**

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

#### **D TRANSACTION COSTS**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

#### **E TAXATION**

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

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

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

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

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

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

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

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

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognized, measured based on the requirements of MFRS 137. They are presented within the other expenses line in the statement of comprehensive income.

## **AHAM SELECT AUD INCOME FUND**

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

#### **F 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 Australian Dollar (“AUD”), which is the Fund’s functional and presentation currency.

#### **G FOREIGN CURRENCY TRANSLATIONS**

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 statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.



## AHAM SELECT AUD INCOME FUND

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

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

(i) Classification (continued)

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

(ii) Recognition and measurement

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

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

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

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

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

## AHAM SELECT AUD INCOME FUND

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

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

(ii) Recognition and measurement (continued)

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

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

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

## AHAM SELECT AUD INCOME FUND

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

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

##### (iii) Impairment (continued)

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

###### Qualitative criteria:

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

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

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

###### Write-off

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

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

#### I CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### J AMOUNT DUE FROM/(TO) BROKERS

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

## **AHAM SELECT AUD INCOME FUND**

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

#### **K CREATION AND CANCELLATION OF UNITS**

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as the RM Class and AUD Class, which are cancelled at the unit holder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unit holder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unit holder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

#### **L INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Income not distributed is included in net assets attributable to unit holders.

#### **M 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 are 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 gains or losses 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 SELECT AUD INCOME FUND

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

#### **N CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

#### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in AUD primarily due to the following factors:

- i) Significant portion of the NAV is invested in quoted and unquoted investments denominated in AUD.
- ii) Significant portion of the Fund's cash is denominated in AUD for the purpose of making settlement of foreign trades and expenses.
- iii) Significant portion of the Fund's expenses are denominated in AUD.

#### **O REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

The analysis of realised and unrealised amounts in net assets attributable to unit holders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

## AHAM SELECT AUD INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

#### 1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name HwangDBS AUD Income Fund (the “Fund”) pursuant to the execution of a Deed dated 11 February 2009, First Supplemental Deed dated 21 January 2010, Second Supplemental Deed dated 21 February 2011, Third Supplemental Deed dated 8 August 2011, Fourth Supplemental Deed dated 18 January 2012, Fifth Supplemental Deed dated 21 January 2013, Sixth Supplemental Deed dated 27 June 2014, Seventh Supplemental Deed dated 19 December 2016, Eighth Supplemental Deed dated 5 October 2018 and Ninth Supplemental Deed dated 24 August 2022 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed the objectives and the base currency of the Fund as amended by Fifth Supplemental Deed dated 21 January 2013. The Fund changed its name from HwangDBS AUD Income Fund to Hwang AUD Income Fund as amended by the Fourth Supplemental Deed dated 18 January 2012 and from Hwang AUD Income Fund to Affin Hwang Select AUD Income Fund as amended by the Sixth Supplemental Deed dated 27 June 2014 and from Affin Hwang Select AUD Income Fund to AHAM Select AUD Income Fund as amended by the Ninth Supplemental Deed dated 24 August 2022.

The Fund commenced operations on 18 March 2010 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deeds.

The Fund may invest any of the following investments:

- (a) Equities of Australia companies listed in approved exchanges/markets and listed on the Australian Securities Exchange;
- (b) Debentures, including corporate bonds and bonds carrying the minimum investment grade of BBB- by S&P (or its equivalent by Moody’s or Fitch);
- (c) Unlisted securities, including without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such securities;
- (d) Money market instruments;
- (e) Deposits;
- (f) Derivatives for the purpose of hedging only;
- (g) Warrants;
- (h) Embedded derivatives
- (i) Units or shares in collective investment schemes; and
- (j) Any other form of investments as may be permitted by the SC from time to time which are 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 regular and steady income distribution over the long-term.

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 24 October 2024.

## AHAM SELECT AUD INCOME FUND

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

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

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> AUD	At fair value through <u>profit or loss</u> AUD	<u>Total</u> AUD
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents		3,256,494	-	3,256,494
Dividends receivable		113,133	-	113,133
Quoted equities	10	-	21,650,180	21,650,180
Unquoted fixed income securities	10	-	83,751,255	83,751,255
Total		<u>3,369,627</u>	<u>105,401,435</u>	<u>108,771,062</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fees		138,825	-	138,825
- cancellation of units		87,037	-	87,037
Amount due to Trustee		7,404	-	7,404
Fund accounting fee		595	-	595
Auditors' remuneration		3,480	-	3,480
Tax agent fee		1,087	-	1,087
Other payables and accruals		1,150	-	1,150
Total		<u>239,578</u>	<u>-</u>	<u>239,578</u>

## AHAM SELECT AUD INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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> AUD	At fair value through <u>profit or loss</u> AUD	<u>Total</u> AUD
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		2,266,491	-	2,266,491
Amount due from Manager				
- creation of units		37,139	-	37,139
Dividends receivable		172,387	-	172,387
Quoted equities	10	-	22,077,504	22,077,504
Unquoted fixed income securities	10	-	113,704,736	113,704,736
Total		<u>2,476,017</u>	<u>135,782,240</u>	<u>138,258,257</u>
<u>Financial liabilities</u>				
Amount due to brokers		275,193	-	275,193
Amount due to Manager				
- management fees		175,617	-	175,617
- cancellation of units		424,066	-	424,066
Amount due to Trustee		9,366	-	9,366
Fund accounting fee		584	-	584
Auditors' remuneration		3,540	-	3,540
Tax agent fee		1,286	-	1,286
Other payables and accruals		1,483	-	1,483
Total		<u>891,135</u>	<u>-</u>	<u>891,135</u>

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



## AHAM SELECT AUD INCOME FUND

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

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

##### Market risk

##### (a) Price risk

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

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

	<u>2024</u> AUD	<u>2023</u> AUD
<b>Quoted investments</b>		
Quoted equities	21,650,180	22,077,504
<b>Unquoted investments</b>		
Unquoted fixed income securities*	83,751,255	113,704,736

\* Includes interest receivable of AUD964,748 (2023: AUD1,192,657)

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2023: 10%) and decreased by 5% (2023: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> AUD	Impact on profit/(loss) after <u>tax/NAV</u> AUD
<u>2024</u>		
-5%	99,214,853	(5,221,834)
0%	104,436,687	-
+5%	109,658,521	5,221,834
<u>2023</u>		
-10%	121,130,625	(13,458,958)
0%	134,589,583	-
+10%	148,048,541	13,458,958

## AHAM SELECT AUD INCOME FUND

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

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

##### Market risk (continued)

##### (b) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices 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 unquoted fixed income securities till 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. 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 tax 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% (2023: 2%) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit/(loss)</u> <u>after tax/NAV</u>	
	<u>2024</u> AUD	<u>2023</u> AUD
+ 1% (2023: + 2%)	(199,744)	(542,931)
- 1% (2023: - 2%)	200,464	550,030

## AHAM SELECT AUD INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 other than the functional currency of the Fund. When the foreign currencies fluctuate in an unfavourable movement against the Australian Dollar, 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 the Australian Dollar 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> AUD	<u>Cash and cash equivalents</u> AUD	<u>Total</u> AUD
<u>2024</u>			
<u>Financial assets</u>			
Malaysian Ringgit	-	1,130,023	1,130,023
Singapore Dollar	-	10	10
United States Dollar	19,722,190	163,304	19,885,494
Euro	-	3	3
	<u>19,722,190</u>	<u>1,293,340</u>	<u>21,015,530</u>
	<u>Other payables**</u> AUD	<u>Net assets attributable to unit holders</u> AUD	<u>Total</u> AUD
<u>Financial liabilities</u>			
Malaysian Ringgit	9,641	7,675,199	7,684,840

\*\* Other payables consist of amount due to Manager, payables for fund accounting fee, auditors' remuneration, tax agent's fee and other payables and accruals.

## AHAM SELECT AUD INCOME FUND

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

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

##### Market risk (continued)

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

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

	<u>Quoted equities</u> AUD	<u>Unquoted fixed income securities</u> AUD	<u>Cash and cash equivalents</u> AUD	<u>Total</u> AUD
<u>2023</u>				
<u>Financial assets</u>				
Malaysian Ringgit	-	-	1,444,588	1,444,588
Singapore Dollar	775,400	-	43,295	818,695
United States Dollar	-	26,210,743	14,294	26,225,037
	<u>775,400</u>	<u>26,210,743</u>	<u>1,502,177</u>	<u>28,488,320</u>
		<u>Other payables**</u> AUD	<u>Net assets attributable to unit holders</u> AUD	<u>Total</u> AUD
<u>Financial liabilities</u>				
Malaysian Ringgit		20,198	8,573,046	8,593,244

\*\* Other payables consist of amount due to Manager, payables for fund accounting fee, auditors' remuneration, tax agent's fee and other payables and accruals.

## AHAM SELECT AUD INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 by each currency's respective historical volatility with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unit holders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change <u>in rate</u> %	Impact on profit/(loss) after <u>tax/NAV</u> AUD
<u>2024</u>		
Malaysian Ringgit	+/- 7.77	-/+ 509,309
Singapore Dollar	+/- 6.36	+/- 1
United States Dollar	+/- 8.90	+/- 1,769,809
Euro	+/- 6.27	-
	<u>                    </u>	<u>                    </u>
<u>2023</u>		
Malaysian Ringgit	+/- 10.94	-/+ 782,063
Singapore Dollar	+/- 9.12	+/- 74,665
United States Dollar	+/- 13.65	+/- 3,579,718
	<u>                    </u>	<u>                    </u>

## AHAM SELECT AUD INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 payment and cancellations of unit by unit holders. Liquid assets comprise cash, deposit with licensed financial institution 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> AUD	<u>Between one month to one year</u> AUD	<u>Total</u> AUD
<u>2024</u>			
Amount due to Manager			
- management fee	138,825	-	138,825
- cancellation of units	87,037	-	87,037
Amount due to Trustee	7,404	-	7,404
Fund accounting fee	595	-	595
Auditors' remuneration	-	3,480	3,480
Tax agent's fee	-	1,087	1,087
Other payables and accruals	-	1,150	1,150
Net assets attributable to unit holders*	109,448,312	-	109,448,312
	<u>109,682,173</u>	<u>5,717</u>	<u>109,687,890</u>

## AHAM SELECT AUD INCOME FUND

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

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

##### Liquidity risk (continued)

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

	<u>Within one month AUD</u>	<u>Between one month to one year AUD</u>	<u>Total AUD</u>
<u>2023</u>			
Amount due to brokers	275,193	-	275,193
Amount due to Manager			
- management fee	175,617	-	175,617
- cancellation of units	424,066	-	424,066
Amount due to Trustee	9,366	-	9,366
Fund accounting fee	584	-	584
Auditors' remuneration	-	3,540	3,540
Tax agent's fee	-	1,286	1,286
Other payables and accruals	-	1,483	1,483
Net assets attributable to unit holders*	137,257,984	-	137,257,984
	<u>138,142,810</u>	<u>6,309</u>	<u>138,149,119</u>

\* Units are redeemed on demand at the unit holders' option (Note K). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term return.

## AHAM SELECT AUD INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

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

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

Credit risk arising from placements of 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 unit's receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	Unquoted fixed income <u>securities</u> AUD	Cash and cash <u>equivalents</u> AUD	Dividend <u>receivable</u> AUD	<u>Total</u> AUD
<u>2024</u>				
Basic Materials				
- Baa1	1,402,211	-	-	1,402,211
- BBB+	694,451	-	-	694,451
- Non-rated ("NR")	-	-	23,721	23,721
Commercial Services				
- Baa2	720,090	-	-	720,090
Consumer Discretionary				
- A3	860,480	-	-	860,480
- Baa1	3,076,915	-	-	3,076,915
- Baa2	2,686,062	-	-	2,686,062
Energy				
- A1	1,103,069	-	-	1,103,069
- BBB-	5,086,824	-	-	5,086,824
- NR	-	-	26,304	26,304
Financial Services				
- A	805,580	-	-	805,580
- A-	1,457,504	-	-	1,457,504
- A3	9,498,922	-	-	9,498,922
- AAA	-	3,256,494	-	3,256,494



## AHAM SELECT AUD INCOME FUND

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

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> AUD	Cash and cash <u>equivalents</u> AUD	Dividend <u>receivable</u> AUD	<u>Total</u> AUD
<u>2024</u> (continued)				
Financial Services (continued)				
- Baa1	5,787,618	-	-	5,787,618
- Baa2	1,564,376	-	-	1,564,376
- Baa3	755,748	-	-	755,748
- BBB-	2,988,750	-	-	2,988,750
- NR	-	-	21,975	21,975
Government				
- AAA	3,042,593	-	-	3,042,593
Industrials				
- A3	1,772,400	-	-	1,772,400
- Baa1	1,061,080	-	-	1,061,080
- Baa2	1,063,180	-	-	1,063,180
- BBB	2,721,964	-	-	2,721,964
- BBB-	3,379,108	-	-	3,379,108
- NR	-	-	13,074	13,074
Real Estate				
- A-	2,209,595	-	-	2,209,595
- A3	5,883,973	-	-	5,883,973
- Baa1	6,610,190	-	-	6,610,190
- Baa3	484,719	-	-	484,719
- BBB	1,368,540	-	-	1,368,540
Telecommunications				
- A2	1,593,120	-	-	1,593,120
- A3	871,510	-	-	871,510
- Aa3	3,898,770	-	-	3,898,770
- Baa1	1,766,620	-	-	1,766,620
- Baa2	2,541,625	-	-	2,541,625
- NR	-	-	27,395	27,395
Utilities				
- A3	897,310	-	-	897,310
- Baa1	4,096,358	-	-	4,096,358
Health Care				
- NR	-	-	664	664
	<u>83,751,255</u>	<u>3,256,494</u>	<u>113,133</u>	<u>87,120,882</u>

## AHAM SELECT AUD INCOME FUND

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

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

##### Credit risk (continued)

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

	Unquoted fixed income securities AUD	Cash and cash equivalents AUD	Other assets* AUD	<u>Total</u> AUD
<u>2023</u>				
Basic Materials				
- Baa1	1,361,568	-	-	1,361,568
- BBB+	639,002	-	-	639,002
Consumer Discretionary				
- A3	1,684,690	-	-	1,684,690
- Baa1	2,385,570	-	-	2,385,570
- Baa2	5,107,287	-	-	5,107,287
Consumer Staples				
- BBB	1,280,265	-	-	1,280,265
Energy				
- BBB-	2,763,673	-	-	2,763,673
Financial Services				
- AAA	-	1,019,541	-	1,019,541
- AA1	-	1,246,950	-	1,246,950
- AA3	2,545,287	-	-	2,545,287
- A	2,182,140	-	-	2,182,140
- A2	4,624,440	-	-	4,624,440
- Aa3	4,804,290	-	-	4,804,290
- Baa1	11,527,595	-	-	11,527,595
- Baa2	6,466,355	-	-	6,466,355
- BBB-	3,058,101	-	-	3,058,101
Government				
- AAA	6,336,650	-	-	6,336,650
Industrials				
- A-	1,995,080	-	-	1,995,080
- A2	502,330	-	-	502,330
- A3	1,669,000	-	-	1,669,000
- Baa2	3,060,250	-	-	3,060,250
- BBB-	3,070,318	-	-	3,070,318
- BBB	2,710,800	-	-	2,710,800
Real Estate				
- A-	3,016,860	-	-	3,016,860
- A	2,096,795	-	-	2,096,795
- A3	11,006,894	-	-	11,006,894
- Baa1	6,234,703	-	-	6,234,703
- Baa3	1,353,300	-	-	1,353,300
- BBB	1,313,340	-	-	1,313,340

## AHAM SELECT AUD INCOME FUND

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

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> AUD	Cash and cash <u>equivalents</u> AUD	Other <u>assets*</u> AUD	<u>Total</u> AUD
<u>2023</u> (continued)				
Telecommunications				
- A3	834,710	-	-	834,710
- Aa3	4,776,160	-	-	4,776,160
- Baa1	1,665,220	-	-	1,665,220
- Baa2	5,725,497	-	-	5,725,497
Utilities				
- A3	840,510	-	-	840,510
- Baa1	3,264,590	-	-	3,264,590
- Baa2	1,801,466	-	-	1,801,466
Others				
- NR	-	-	209,526	209,526
	<u>113,704,736</u>	<u>2,266,491</u>	<u>209,526</u>	<u>116,180,753</u>

\*Other assets consist of amount due from Manager and dividends receivable.

## AHAM SELECT AUD INCOME FUND

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

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

##### Capital risk

The capital of the Fund is represented by net assets attributable to unit holders. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. 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 unit holders 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 markets (such as trading securities) is based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the bid price for financial assets which falls within the bid-ask spread.

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

The fair value of financial assets 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 judgement, considering factors specific to the asset or liability.

## AHAM SELECT AUD INCOME FUND

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

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u> AUD	<u>Level 2</u> AUD	<u>Level 3</u> AUD	<u>Total</u> AUD
<u>2024</u>				
Financial assets at fair value through profit or loss				
- quoted equities	21,650,180	-	-	21,650,180
- unquoted fixed income securities	-	83,751,255	-	83,751,255
	<u>21,650,180</u>	<u>83,751,255</u>	<u>-</u>	<u>105,401,435</u>
<u>2023</u>				
Financial assets at fair value through profit or loss				
- quoted equities	22,077,504	-	-	22,077,504
- unquoted fixed income securities	-	113,704,736	-	113,704,736
	<u>22,077,504</u>	<u>113,704,736</u>	<u>-</u>	<u>135,782,240</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments.

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. 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 Manager, dividends receivable and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

## **AHAM SELECT AUD INCOME FUND**

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

#### **4 MANAGEMENT FEE**

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

For the financial year ended 31 August 2024, the management fee is recognised at a rate of 1.50% (2023: 1.50%) 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 Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the net asset value ("NAV") of the Fund.

For the financial year ended 31 August 2024, the Trustee's fee is recognised at a rate of 0.08% (2023: 0.08%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, 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 OTHER INCOME**

This is pertaining to the incentive fee received from the invested bonds for the financial year ended 31 August 2023.

## AHAM SELECT AUD INCOME FUND

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

#### 7 DISTRIBUTIONS

	<u>2024</u> AUD	<u>2023</u> AUD
Distributions to unit holders are from the following sources:		
Dividend income	347,752	1,278,314
Interest income	855,012	2,203,661
Previous years' realised income	5,263,933	3,887,390
	<hr/>	<hr/>
Gross realised income	6,466,697	7,369,365
Less: Expenses	(827,163)	(993,483)
Less: Taxation	(673,570)	-
	<hr/>	<hr/>
Net distribution amount	<u>4,965,964</u>	<u>6,375,882</u>

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

<u>Ex date</u>	Gross distribution per unit (sen/cent)		Net distribution per unit (sen/cent)	
	<u>RM Class</u> RM	<u>AUD Class</u> AUD	<u>RM Class</u> RM	<u>AUD Class</u> AUD
20.09.2023	0.5357	0.6281	0.5100	0.6000
20.12.2023	0.7389	0.7872	0.5500	0.6000
20.03.2024	0.6444	0.7032	0.5500	0.6000
19.06.2024	0.5500	0.6000	0.5500	0.6000
	<hr/>	<hr/>	<hr/>	<hr/>
	2.4690	2.7185	2.1600	2.4000
	<hr/>	<hr/>	<hr/>	<hr/>
<u>RM Class</u>	<u>Income distribution</u> AUD	<u>Income distribution</u> %	<u>Capital distribution</u> AUD	<u>Capital distribution</u> %
20.09.2023	-	-	82,619	100.00
20.12.2023	16,787	20.00	67,148	80.00
20.03.2024	45,286	50.91	43,669	49.09
19.06.2024	-	-	85,859	100.00
	<hr/>	<hr/>	<hr/>	<hr/>

## AHAM SELECT AUD INCOME FUND

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

#### 7 DISTRIBUTIONS (CONTINUED)

During the financial year ended 31 August 2024, distributions were made as follows: (continued)

<u>AUD Class</u>	<u>Income distribution</u> AUD	<u>Income distribution</u> %	<u>Capital distribution</u> AUD	<u>Capital distribution</u> %
20.09.2023	43,011	3.33	1,247,313	96.67
20.12.2023	262,280	21.67	948,244	78.33
20.03.2024	579,795	53.33	507,321	46.67
19.06.2024	-	-	1,036,632	100.00
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

<u>Ex date</u>	<u>Gross distribution per unit (sen/cent)</u>		<u>Net distribution per unit (sen/cent)</u>	
	<u>RM Class</u> RM	<u>AUD Class</u> AUD	<u>RM Class</u> RM	<u>AUD Class</u> AUD
21.09.2022	0.5500	0.6000	0.5500	0.6000
20.12.2022	0.4500	0.6000	0.4500	0.6000
15.03.2023	0.7348	0.7260	0.5500	0.6000
21.06.2023	0.6479	0.7037	0.5100	0.6000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	2.3827	2.6297	2.0600	2.4000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

<u>RM Class</u>	<u>Income distribution</u> AUD	<u>Income distribution</u> %	<u>Capital distribution</u> AUD	<u>Capital distribution</u> %
21.09.2022	106,251	100.00	-	-
20.12.2022	89,157	100.00	-	-
15.03.2023	91,686	100.00	-	-
21.06.2023	76,596	84.31	14,250	15.69
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

<u>AUD Class</u>	<u>Income distribution</u> AUD	<u>Income distribution</u> %	<u>Capital distribution</u> AUD	<u>Capital distribution</u> %
21.09.2022	1,581,348	100.00	-	-
20.12.2022	1,539,606	100.00	-	-
15.03.2023	1,485,042	100.00	-	-
21.06.2023	835,168	60.00	556,778	40.00
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>



## AHAM SELECT AUD INCOME FUND

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

#### 7 DISTRIBUTIONS (CONTINUED)

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 year is an amount of AUD5,263,933 (2023: AUD3,887,390) made from previous years' realised income.

#### 8 TAXATION

	<u>2024</u> AUD	<u>2023</u> AUD
Current taxation	392,009	1,449,657
Overprovision of taxation in prior year	(358,720)	(267,287)
Deferred tax liabilities (Note 9)	(327,611)	327,611
	<u>(294,322)</u>	<u>1,509,981</u>

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

	<u>2024</u> AUD	<u>2023</u> AUD
Net profit/(loss) before taxation	<u>3,518,741</u>	<u>(1,457,663)</u>
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	844,498	(349,839)
Tax effects of:		
Investment income not subject to tax	(2,464,947)	(3,056)
Expenses not deductible for tax purposes	1,254,199	1,625,986
Restrictions on tax deductible expenses for Unit Trust Fund	430,648	504,177
Overprovision of taxation in prior year	(358,720)	(267,287)
Tax expense	<u>(294,322)</u>	<u>1,509,981</u>

## AHAM SELECT AUD INCOME FUND

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

#### 9 DEFERRED TAX LIABILITIES

	<u>2024</u> AUD	<u>2023</u> AUD
Deferred tax liabilities	-	327,611

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

	Foreign dividend and interest receivables on financial assets at fair value <u>through profit or loss</u>	
	<u>2024</u> AUD	<u>2023</u> AUD
Balance at the beginning of the financial year	327,611	-
Charged to income statement (Note 8)	(327,611)	327,611
Balance as at the end of the financial year	-	327,611

## AHAM SELECT AUD INCOME FUND

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

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

	<u>2024</u> AUD	<u>2023</u> AUD
Financial assets at fair value through profit or loss:		
- quoted equities – foreign	21,650,180	22,077,504
- unquoted fixed income securities – foreign	83,751,255	113,704,736
	<u>105,401,435</u>	<u>135,782,240</u>
Net gain on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(2,878,073)	(336,443)
- unrealised gain on changes in fair value	8,580,025	1,087,788
	<u>5,701,952</u>	<u>751,345</u>

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 August 2024 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> AUD	Fair <u>value</u> AUD	Percentage <u>of NAV</u> %
<u>Australia</u>				
<u>Basic Materials</u>				
BHP Group Ltd	39,283	1,912,279	1,599,211	1.47
Capstone Copper Corp	22,422	227,698	229,153	0.21
Ora Banda Mining Ltd	982,565	448,297	560,062	0.51
Paladin Energy Ltd	29,256	455,038	285,831	0.26
Rio Tinto Ltd	8,786	1,142,823	979,288	0.89
South32 Ltd	83,065	379,394	258,332	0.24
	<u>1,165,377</u>	<u>4,565,529</u>	<u>3,911,877</u>	<u>3.58</u>
<u>Consumer Discretionary</u>				
Light & Wonder Inc	3,751	577,751	594,158	0.55
Propel Funeral Partners Ltd	102,000	519,642	614,040	0.56
Qantas Airways Ltd	36,534	223,354	244,047	0.22
Super Retail Group Ltd	21,627	336,518	383,014	0.35
Wesfarmers Ltd	16,353	969,969	1,186,410	1.08
	<u>180,265</u>	<u>2,627,234</u>	<u>3,021,669</u>	<u>2.76</u>

## AHAM SELECT AUD INCOME FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2024 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Australia (continued)</u>				
<u>Consumer Staples</u>				
Coles Group Ltd	22,247	360,441	416,909	0.38
<u>Energy</u>				
Santos Ltd	135,951	993,253	978,847	0.89
Woodside Energy Group Ltd	29,005	986,243	788,066	0.72
	<u>164,956</u>	<u>1,979,496</u>	<u>1,766,913</u>	<u>1.61</u>
<u>Financial Services</u>				
ANZ Group Holdings Ltd	39,474	987,028	1,192,904	1.09
Commonwealth Bank of Australia	6,166	660,408	857,999	0.79
Insurance Australia Group Ltd	45,401	326,815	333,698	0.30
Macquarie Group Ltd	5,627	1,000,078	1,207,554	1.10
National Australia Bank Ltd	30,480	929,283	1,156,716	1.06
Westpac Banking Corp	61,944	1,363,176	1,921,503	1.76
	<u>189,092</u>	<u>5,266,788</u>	<u>6,670,374</u>	<u>6.10</u>
<u>Health Care</u>				
CSL Ltd	1,088	328,118	333,102	0.30
ResMed Inc	13,777	445,727	490,737	0.45
	<u>14,865</u>	<u>773,845</u>	<u>823,839</u>	<u>0.75</u>
<u>Industrial</u>				
SmartGroup Corp Ltd	28,000	218,725	224,000	0.20
Transurban Group	54,166	721,517	732,324	0.67
Ventia Services Group Pty Ltd	164,501	665,038	690,904	0.63
Worley Ltd	14,458	218,829	218,316	0.20
	<u>261,125</u>	<u>1,824,109</u>	<u>1,865,544</u>	<u>1.70</u>

## AHAM SELECT AUD INCOME FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2024 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Australia (continued)</u>				
<u>Real Estate</u>				
Charter Hall Retail REIT	156,085	652,139	565,028	0.52
Goodman Group	13,277	368,047	440,929	0.40
	<u>169,362</u>	<u>1,020,186</u>	<u>1,005,957</u>	<u>0.92</u>
<u>Technologies</u>				
NEXTDC Ltd	12,987	221,458	218,961	0.20
Xero Ltd	3,071	441,180	436,082	0.40
	<u>16,058</u>	<u>662,638</u>	<u>655,043</u>	<u>0.60</u>
<u>Telecommunication</u>				
Telstra Group Ltd	304,387	1,156,396	1,193,197	1.09
<u>Utilities</u>				
Origin Energy Ltd	32,046	334,555	318,858	0.29
Total quoted equities – foreign	<u>2,519,780</u>	<u>20,571,217</u>	<u>21,650,180</u>	<u>19.78</u>
Accumulated unrealised gain on quoted equities – foreign		<u>1,078,963</u>		
Total quoted equities – foreign		<u>21,650,180</u>		

## AHAM SELECT AUD INCOME FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> AUD	Fair <u>value</u> AUD	Percentage <u>of NAV</u> %
<u>Australia</u>				
<u>Basic Materials</u>				
BHP Group Ltd	64,345	2,928,197	2,876,221	2.10
South32 Ltd	159,218	727,217	539,749	0.39
Rio Tinto Ltd	7,480	880,723	840,752	0.61
	<u>231,043</u>	<u>4,536,137</u>	<u>4,256,722</u>	<u>3.10</u>
<u>Consumer Discretionary</u>				
Bapcor Ltd	117,313	797,424	756,669	0.55
Wesfarmers Ltd	21,810	1,065,242	1,173,378	0.85
	<u>139,123</u>	<u>1,862,666</u>	<u>1,930,047</u>	<u>1.40</u>
<u>Consumer Staples</u>				
Coles Group Ltd	42,280	748,931	687,473	0.50
<u>Energy</u>				
Imdex Ltd	300,000	702,406	474,000	0.35
Santos Ltd	222,647	1,603,959	1,705,476	1.24
Whitehaven Coal Ltd	53,687	451,759	326,954	0.24
Woodside Energy Group Ltd	7,140	275,056	263,823	0.19
Karoon Energy Ltd	229,000	472,839	547,310	0.40
APA Group	44,619	468,098	400,679	0.29
	<u>857,093</u>	<u>3,974,117</u>	<u>3,718,242</u>	<u>2.71</u>
<u>Financial Services</u>				
Westpac Banking Corp	71,331	1,571,518	1,565,002	1.14
ANZ Group Holdings Ltd	93,547	2,246,607	2,366,739	1.72
Macquarie Group Ltd	2,400	423,053	424,848	0.31
QBE Insurance Group Ltd	95,757	1,510,515	1,421,991	1.04
	<u>263,035</u>	<u>5,751,693</u>	<u>5,778,580</u>	<u>4.21</u>

## AHAM SELECT AUD INCOME FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2023 are as follows: (continued)

	<u>Quantity</u>	Aggregate cost AUD	Fair value AUD	Percentage of NAV %
<u>Australia (continued)</u>				
<u>Health Care</u>				
CSL Ltd	5,292	1,524,922	1,442,070	1.05
ResMed Inc	12,874	427,805	328,030	0.24
	<u>18,166</u>	<u>1,952,727</u>	<u>1,770,100</u>	<u>1.29</u>
<u>Industrial</u>				
Amcor PLC	45,000	759,121	675,000	0.49
<u>Real Estate</u>				
Charter Hall Retail REIT	292,064	1,220,273	1,016,383	0.75
Goodman Group	12,090	270,291	277,465	0.21
	<u>304,154</u>	<u>1,490,564</u>	<u>1,293,848</u>	<u>0.96</u>
<u>Telecommunication</u>				
Telstra Corporation Ltd	298,023	1,131,064	1,192,092	0.87
<u>Singapore</u>				
<u>Real Estate</u>				
Frasers Logistics & Commercial Trust	569,800	828,652	775,400	0.56
Total quoted equities – foreign	<u>2,767,717</u>	23,035,672	<u>22,077,504</u>	<u>16.09</u>
Accumulated unrealised loss on quoted equities – foreign		(958,168)		
Total quoted equities – foreign		<u>22,077,504</u>		

## AHAM SELECT AUD INCOME FUND

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

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

(b) Unquoted fixed income securities – foreign

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

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
5.25% Aircservices Australia Call: 15.02.2034 (AAA)	1,350,000	1,361,711	1,392,593	1.27
4.6% AT&T Inc 19.09.2028 (Baa2)	2,500,000	2,564,218	2,541,625	2.32
6.1% Aurizon Network Pty Ltd Call: 12.06.2031 (Baa1)	1,000,000	1,026,743	1,061,080	0.97
5.408% Ausgrid Finance Pty Ltd 28.03.2031 (Baa1)	2,000,000	2,046,140	2,067,140	1.89
2.6% AusNet Services Hldgs Pty Ltd 31.07.2029 (Baa1)	1,500,000	1,496,405	1,344,540	1.23
5.9812% AusNet Services Hldgs Pty Ltd Call: 16.03.2034 (Baa1)	650,000	661,408	684,678	0.63
2.75% Australia Government Bond 21.05.2041 (AAA)	2,000,000	1,740,619	1,650,000	1.51
5.888% Australia New Zealand Bank Group Call: 16.01.2029 (A3)	1,500,000	1,511,280	1,549,680	1.42
6.124% Australia New Zealand Bank Group Call: 25.07.2034 (A3)	2,500,000	2,515,800	2,576,050	2.35
5.83% BNP Paribas Call: 23.08.2029 (Baa2)	800,000	801,144	803,704	0.73
5.439% BP Capital Markets PLC Call: 28.05.2034 (A1)	1,100,000	1,100,649	1,103,069	1.01
5.9% Brisbane Airport Corporation Pty Ltd Call: 08.12.2033 (Baa2)	1,000,000	1,031,909	1,063,180	0.97
3.3% BWP Trust Call: 09.02.2026 (A3)	1,000,000	1,012,241	989,780	0.90
2.317% Charter Hall Exchange Finance 25.09.2030 (A3)	1,000,000	1,015,527	860,470	0.79
2.1% Coles Group Treasury Pty Ltd Call: 29.05.2030 (Baa1)	3,000,000	2,984,937	2,537,070	2.32
6.208% Coles Group Treasury Pty Ltd Call: 30.08.2033 (Baa1)	500,000	508,095	539,845	0.49
3.147% Computershare US Inc Call: 01.09.2027 (Baa2)	800,000	806,432	760,672	0.70
5.6% ConnectEast Finance Pty Ltd Call: 27.03.2031 (Baa2)	700,000	705,983	720,090	0.66
2.485% CPIF Finance Pty Ltd Call: 28.07.2030 (Baa1)	1,650,000	1,664,075	1,397,930	1.28



## AHAM SELECT AUD INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
2.6% DWPF Finance Pty Ltd Call: 04.05.2032 (A)	1,000,000	1,003,856	805,580	0.74
1.9% GAIF Bond Issuer Pty Ltd Call: 15.09.2028 (A3)	1,500,000	1,502,199	1,326,150	1.21
2.584% GAIF Bond Issuer Pty Ltd Call: 18.08.2027 (A3)	2,500,000	2,518,600	2,358,350	2.15
2.849% General Property Trust Call: 20.11.2031 (A-)	1,500,000	1,501,395	1,231,695	1.13
3.657% General Property Trust Call: 24.02.2026 (A-)	1,000,000	998,314	977,900	0.89
2.2% GTA Finance Co Pty Ltd Call: 27.07.2027 (BBB)	1,500,000	1,408,124	1,368,540	1.25
6.211% HSBC Holdings PLC Call: 21.03.2029 (Baa1)	1,300,000	1,339,913	1,366,274	1.25
4.9% Landesbank Baden-Wuerttemberg 29.06.2027 (Baa1)	1,800,000	1,879,807	1,742,202	1.59
3.7% Lendlease Finance Ltd Call: 31.12.2030 (Baa3)	560,000	478,588	484,719	0.44
6.125% Macquarie Bank Ltd Call: 08.03.2027 (Baa3)	719,720	761,820	755,748	0.69
5.15% Mirvac Group Finance Ltd Call 18.12.2030 (A3)	350,000	349,086	349,223	0.32
6.342% National Australia Bank Ltd Call: 06.06.2034 (A3)	700,000	713,667	739,536	0.68
1% NBN Co Ltd Call: 03.09.2025 (Aa3)	3,000,000	2,918,352	2,876,280	2.63
5.2% NBN Co Ltd Call 25.05.2028 (Aa3)	1,000,000	999,694	1,022,490	0.93
4.7% Newcastle Coal Infrastructure Call: 12.02.2031 (BBB+)	714,704	616,672	694,451	0.63
2.5% Optus Finance Pty Ltd 01.07.2030 (A3)	1,000,000	1,000,561	871,510	0.80
3.7% Pacific National Finance Pty Ltd Call: 24.06.2029 (BBB-)	3,200,000	3,246,698	2,939,168	2.69
3.8% Pacific National Finance Pty Ltd Call: 10.06.2031 (BBB-)	500,000	507,766	439,940	0.40
2.95% Qantas Airways Ltd Call: 27.08.2029 (Baa2)	900,000	837,364	806,022	0.74

## AHAM SELECT AUD INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.15% Qantas Airways Ltd Call: 27.06.2028 (Baa2)	2,000,000	1,995,780	1,880,040	1.72
5.875% QBE Insurance Group Ltd Call: 17.06.2026 (BBB-)	1,439,440	1,370,912	1,492,604	1.36
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	1,439,440	1,336,859	1,496,147	1.37
7.1011% QBE Insurance Group Ltd Call: 25.08.2026 (Baa1)	1,250,000	1,251,463	1,281,213	1.17
3.649% Santos Finance Ltd Call :29.01.2031 (BBB-)	575,776	524,228	541,027	0.49
5.25% Santos Finance Ltd Call: 13.12.2028 (BBB-)	4,318,321	4,459,540	4,545,797	4.15
4.75% Scentre Group Trust Call: 24.06.2026 (Baa1)	3,598,601	3,589,103	3,696,757	3.38
5.125% Scentre Group Trust Call: 24.06.2030 (Baa1)	2,878,880	2,788,749	2,913,432	2.66
1.843% SGSP Australia Assets Pty Ltd Call: 15.06.2028 (A3)	1,000,000	1,008,510	897,310	0.82
5% Shinhan Bank Co Ltd 30.08.2028 (A-)	1,500,000	1,446,917	1,457,505	1.33
4.35% South32 Treasury USA Call: 14.01.2032 (Baa1)	1,439,440	1,359,482	1,402,210	1.28
5.65% Telstra Group Limited Call: 06.12.2033 (A2)	1,500,000	1,539,017	1,593,120	1.46
3.25% Transurban Queensland Fin Pty Call: 07.05.2031 (BBB)	1,500,000	1,498,287	1,320,270	1.21
5.623% Transurban Queensland Fin Pty Call 28.05.2034 (BBB)	1,400,000	1,405,210	1,401,694	1.28
3% Verizon Communications Inc Call: 23.12.2030 (Baa1)	2,000,000	2,022,247	1,766,620	1.61
1.4% Volkswagen Financial Services Australia Pty Ltd 25.08.2025 (A3)	2,000,000	2,001,241	1,930,540	1.76
2.55% Wesfarmers Ltd Call: 23.03.2031 (A3)	1,000,000	1,004,880	860,480	0.79

## AHAM SELECT AUD INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
2.894% Westpac Banking Corp Call: 04.02.2025 (A3)	2,159,160	2,161,123	2,184,015	2.00
5.972% Westpac Banking Corp Call: 10.07.2029 (A3)	500,000	504,300	519,100	0.47
2.7% WSO Finance Pty Ltd Call: 30.03.2030 (A3)	2,000,000	2,043,625	1,772,400	1.61
	<hr/>	<hr/>	<hr/>	<hr/>
Total unquoted fixed income securities – foreign	86,793,482	86,449,265	83,751,255	76.52
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated unrealised loss on unquoted fixed income securities – foreign		(2,698,010)		
		<hr/>		
Total unquoted fixed income securities – foreign		83,751,255		
		<hr/>		

## AHAM SELECT AUD INCOME FUND

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

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

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

(ii) Unquoted fixed income securities – foreign as at 31 August 2023 are as follows:

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.45% AT&T Inc 19.09.2023 (Baa2)	3,200,000	3,249,662	3,247,872	2.37
4.6% AT&T Inc 19.09.2028 (Baa2)	2,500,000	2,566,956	2,477,625	1.80
3.75% Ausgrid Finance Pty Ltd 30.07.2024 (Baa1)	2,000,000	2,008,173	1,999,400	1.46
2.6% AusNet Services Holdings Pty Ltd 31.07.2029 (Baa1)	1,500,000	1,495,096	1,265,190	0.92
1.75% Australia Government Bond 21.06.2051 (AAA)	3,000,000	1,964,165	1,721,220	1.25
2.75% Australia Government Bond 21.05.2041 (AAA)	2,000,000	1,729,123	1,611,800	1.17
2.95% Australia and New Zealand Bank Group Call: 22.07.2025 (Baa1)	1,000,000	1,322,686	1,438,816	1.05
3.25% Australian Government 25.04.2025 (Aaa)	3,000,000	3,049,869	3,003,630	2.19
3.25% Barclays PLC 26.06.2024 (Baa1)	2,500,000	2,514,885	2,469,625	1.80
3.10% Brisbane Airport Corp Pty Ltd Call: 01.04.2026 (Baa2)	1,250,000	1,255,198	1,191,550	0.87
4.50% Brisbane Airport Corp Pty Ltd Call: 01.10.2030 (Baa2)	2,000,000	2,010,597	1,868,700	1.36
3.3% BWP Trust Call: 09.02.2026 (A3)	1,000,000	1,011,814	967,680	0.70
2.317% Charter Hall Exchange Finance Pty Ltd 25.09.2030 (A3)	1,000,000	1,016,359	796,270	0.58
3.092% CHC Finance Pty Ltd Call: 21.01.2031 (Baa1)	1,500,000	1,516,860	1,184,910	0.86
2.1% Coles Group Treasury Pty Ltd Call: 29.05.2030 (Baa1)	3,000,000	2,982,475	2,385,570	1.74
5.4643% Commonwealth Bank of Australia Call: 20.08.2026 (Baa1)	2,000,000	2,003,300	1,981,700	1.44
3.147% Computershare US Inc Call: 01.09.2027 (Baa2)	800,000	806,432	725,712	0.53
3.4% ConnectEast Finance Pty Ltd Call: 25.12.2025 (Baa2)	1,500,000	1,521,856	1,450,920	1.06
2.485% CPIF Finance Pty Ltd Call: 28.07.2030 (Baa1)	1,650,000	1,663,959	1,279,014	0.93
6.21% DBS Group Holdings Ltd Call: 08.04.2026 (A2)	2,000,000	2,966,234	2,020,440	1.47

## AHAM SELECT AUD INCOME FUND

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

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

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

(ii) Unquoted fixed income securities – foreign as at 31 August 2023 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
2.6% DWPF Finance Pty Ltd Call: 04.05.2032 (A)	3,000,000	3,012,206	2,182,140	1.59
3.05% Emirates NBD 26.02.2030 (A2)	3,000,000	2,991,325	2,604,000	1.90
1.9% GAIF Bond Issuer Pty Ltd Call: 15.09.2028 (A3)	3,100,000	3,102,744	2,587,570	1.88
2.584% GAIF Bond Issuer Pty Ltd Call: 18.08.2027 (A3)	2,500,000	2,518,600	2,261,350	1.65
2.849% General Property Trust Call: 20.11.2031 (A)	1,500,000	1,501,395	1,140,195	0.83
3.657% General Property Trust Call: 24.02.2026 (A)	1,000,000	997,133	956,600	0.70
2.2% GTA Finance Co Pty Ltd Call: 27.07.2027 (BBB)	1,500,000	1,379,783	1,313,340	0.96
4.9% John Deere Financial Ltd 28.07.2022 (A2)	500,000	502,189	502,330	0.37
4.9% Landesbank Baden-Wuerttemberg 29.06.2027 (Baa2)	1,800,000	1,901,249	1,634,346	1.19
5% Landesbank Baden-Wuerttemberg 17.05.2028 (Baa2)	1,400,000	1,422,730	1,260,448	0.92
3.4% Lendlease Finance Ltd Call: 27.07.2027 (Baa3)	1,500,000	1,516,828	1,353,300	0.99
7.086% Lloyds Banking Group PLC Call: 31.08.2028 (Baa1)	500,000	500,095	503,795	0.37
3.625% Mirvac Group Finance Ltd Call: 18.12.2026 (A3)	3,000,000	4,092,030	4,394,024	3.20
2.332% National Australia Bank Ltd 21.08.2030 (Baa1)	750,000	1,044,869	901,910	0.66
1.00% NBN Co Ltd Call: 03.09.2025 (Aa3)	3,000,000	2,850,208	2,761,980	2.01
5.2% NBN Co Ltd Call: 25.05.2028 (Aa3)	2,000,000	1,998,823	2,014,180	1.47
4.7% Newcastle Coal Infrastructure Group Pty Ltd Call: 12.02.2031 (BBB+)	500,000	608,120	639,002	0.46
2.5% Optus Finance Pty Ltd 01.07.2030 (A3)	1,000,000	999,990	834,710	0.61

## AHAM SELECT AUD INCOME FUND

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

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

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

(ii) Unquoted fixed income securities – foreign as at 31 August 2023 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
2.65% Origin Energy Finance Ltd Call: 11.08.2027 (Baa2)	1,900,000	1,912,034	1,801,466	1.31
3.7% Pacific National Finance Pty Ltd Call: 24.06.2029 (BBB-)	3,200,000	3,245,568	2,682,528	1.95
3.8% Pacific National Finance Pty Ltd Call: 10.06.2031 (BBB-)	500,000	507,598	387,790	0.28
2.95% Qantas Airways Ltd Call: 27.08.2029 (Baa2)	900,000	825,874	763,272	0.56
3.15% Qantas Airways Ltd 27.06.2028 (Baa2)	2,000,000	1,988,778	1,802,240	1.31
4.4% Qantas Airways Ltd 10.10.2023 (Baa2)	2,500,000	2,543,467	2,541,775	1.85
6.887% QBE Insurance Group Ltd Call: 25.08.2026 (Baa1)	1,250,000	1,251,650	1,260,025	0.92
5.875% QBE Insurance Group Ltd Call: 17.06.2026 (BBB-)	1,000,000	1,371,849	1,499,112	1.09
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	1,000,000	1,356,418	1,558,989	1.14
3.649% Santos Finance Ltd Call :29.01.2031 (BBB-)	400,000	524,612	516,111	0.38
5.25% Santos Finance Ltd Call: 13.12.2028 (BBB-)	1,500,000	2,228,398	2,247,562	1.64
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	2,500,000	3,593,330	3,565,407	2.60
5.125% Scentre Group Trust 2 Call: 24.06.2030 (Baa1)	2,000,000	2,792,124	2,669,296	1.94
1.843% SGSP Australia Assets Pty Ltd Call: 15.06.2028 (A3)	1,000,000	1,008,510	840,510	0.61
4.35% South32 Treasury USA Call: 14.01.2032 (Baa1)	1,000,000	1,360,161	1,361,568	0.99
2.9% Standard Chartered PLC Call: 28.06.2024 (A3)	3,000,000	3,086,423	2,945,550	2.15
3.3% Stockland Trust Management Ltd Call: 22.02.2024 (A-)	3,000,000	3,043,396	3,016,860	2.20
3.25% Transurban Queensland Finance Pty Call: 07.05.2031 (BBB)	1,500,000	1,497,622	1,232,070	0.90
4.5% Transurban Queensland Finance Pty Call: 19.01.2028 (BBB)	1,000,000	1,308,827	1,478,730	1.08

## AHAM SELECT AUD INCOME FUND

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

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

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

(ii) Unquoted fixed income securities – foreign as at 31 August 2023 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value AUD</u>	<u>Adjusted cost AUD</u>	<u>Fair value AUD</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3% Verizon Communications Inc Call: 23.12.2030 (Baa1)	2,000,000	2,021,686	1,665,220	1.21
5.1579% Victoria Power Networks Finance Lt Call: 21.01.2026 (A-)	2,000,000	2,011,880	1,995,080	1.45
1.4% Volkswagen Financial Services Australia 25.08.2025 (A3)	2,000,000	2,001,948	1,858,740	1.35
2.55% Wesfarmers Ltd Call: 23.03.2031 (A3)	1,000,000	1,004,880	811,980	0.59
1.941% Wesfarmers Ltd Call: 23.03.2028 (A3)	1,000,000	914,066	872,710	0.64
5% Westpac Banking Corp Call: 21.09.2027 (Baa2)	1,000,000	1,298,660	1,394,929	1.02
2.15% Westpac Banking Corp 03.06.2031 (Aa3)	2,000,000	2,591,421	2,545,287	1.85
6.62313% Westpac Banking Corp Call: 23.06.2028 (Baa1)	500,000	500,000	507,800	0.37
2.8% Woolworths Group Ltd 20.05.2030 (BBB)	1,500,000	1,509,431	1,280,265	0.93
2.7% WSO Finance Pty Ltd Call: 30.03.2030 (A3)	2,000,000	2,049,013	1,669,000	1.22
Total unquoted fixed income securities – foreign	<u>116,100,000</u>	<u>122,945,640</u>	<u>113,704,736</u>	<u>82.84</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(9,240,904)</u>		
Total unquoted fixed income securities – foreign		<u>113,704,736</u>		

## AHAM SELECT AUD INCOME FUND

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

#### 11 CASH AND CASH EQUIVALENTS

	<u>2024</u> AUD	<u>2023</u> AUD
Cash and bank balances	2,135,213	1,246,950
Deposits with licensed financial institutions	1,121,281	1,019,541
	<u>3,256,494</u>	<u>2,266,491</u>

The weighted average effective interest rates per annum of deposits with licensed financial institutions is as follows:

	<u>2024</u> %	<u>2023</u> %
Deposits with licensed financial institutions	<u>2.95</u>	<u>3.41</u>

Deposit with licensed financial institutions have an average remaining maturity period of 2 days (2023: 1 day).

#### 12 FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 August 2024, there are Nil (2023:Nil) forward foreign currency contracts outstanding. The notional principal amounts of the outstanding forward foreign currency contracts amounted to AUD Nil (2023: AUD Nil). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from investments in foreign unquoted fixed income securities denominated in United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the changes in the fair value of the forward foreign currency contracts are recognised immediately in profit or loss.

	<u>2024</u> AUD	<u>2023</u> AUD
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	-	(5,862)
	<u>-</u>	<u>(5,862)</u>



## AHAM SELECT AUD INCOME FUND

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

#### 13 NUMBER OF UNITS IN CIRCULATION

##### (a) RM Class units in circulation

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	50,610,000	59,583,000
Creation of units arising from applications	17,985,512	17,810,000
Creation of units arising from distributions	1,797,183	2,112,725
Cancellation of units	<u>(26,638,695)</u>	<u>(28,895,725)</u>
At the end of the financial year	<u><u>43,754,000</u></u>	<u><u>50,610,000</u></u>

##### (b) AUD Class units in circulation

	<u>2024</u>	<u>2023</u>
	No. of units	No. of units
At the beginning of the financial year	220,097,000	266,026,000
Creation of units arising from applications	5,168,000	11,238,279
Creation of units arising from distributions	6,053,308	8,856,895
Cancellation of units	<u>(63,241,308)</u>	<u>(66,024,174)</u>
At the end of the financial year	<u><u>168,077,000</u></u>	<u><u>220,097,000</u></u>

## AHAM SELECT AUD INCOME FUND

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

#### 14 TRANSACTIONS WITH BROKERS AND DEALERS

(a) Details of transactions with the top 10 brokers/dealers for the financial year ended 31 August 2024 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> AUD	<u>Percentage</u> <u>of</u> <u>total trade</u> %	<u>Brokerage</u> <u>fees</u> AUD	<u>Percentage</u> <u>of total</u> <u>brokerage fees</u> %
Macquarie Bank Ltd (Australia)	30,157,109	18.92	57,263	53.47
CLSA Australia Pty Ltd	21,430,658	13.45	29,064	27.14
Westpac Institutional Bank	19,219,194	12.06	-	-
ANZ Banking Group	13,184,842	8.27	-	-
Westpac Banking Corporation	9,488,002	5.95	-	-
Marketaxess Capital Ltd	7,845,526	4.92	-	-
Commonwealth Bank of Australia	7,645,925	4.80	-	-
Mizuho Securities Asia Ltd	6,795,474	4.26	-	-
Deutsche Bank (Malaysia) Bhd	6,045,843	3.79	-	-
MarketAxess	4,906,716	3.08	-	-
Others	32,664,442	20.50	20,769	19.39
	<u>159,383,731</u>	<u>100.00</u>	<u>107,096</u>	<u>100.00</u>

(b) Details of transactions with the top 10 brokers/dealers for the financial year ended 31 August 2023 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> AUD	<u>Percentage</u> <u>of</u> <u>total trade</u> %	<u>Brokerage</u> <u>fees</u> AUD	<u>Percentage</u> <u>of total</u> <u>brokerage fees</u> %
Morgan Financial Ltd	32,658,443	21.46	81,646	43.96
Macquarie Bank Ltd (Australia)	24,698,557	16.23	42,417	22.84
CLSA Australia Pty Ltd	22,922,967	15.06	30,921	16.65
Westpac Institutional Bank	13,053,013	8.58	-	-
Westpac Banking Corporation Australia and New Zealand Banking Group Ltd	9,596,920	6.31	-	-
Barrenjoey Markets Pty Ltd	5,977,941	3.93	-	-
Barrenjoey Markets Pty Ltd	5,772,031	3.79	11,544	6.22
State Street Bank and Trust Company	4,825,610	3.17	4,826	2.60
Commonwealth Bank of Australia	4,685,550	3.08	-	-
Mizuho Securities Asia Ltd	3,018,120	1.98	-	-
Others	24,967,972	16.41	14,366	7.73
	<u>152,177,124</u>	<u>100.00</u>	<u>185,720</u>	<u>100.00</u>

## AHAM SELECT AUD INCOME FUND

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

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

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	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

## AHAM SELECT AUD INCOME FUND

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

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

The units held by the Manager and party related to the Manager as at the end of the financial year are as follows:

	<u>2024</u>		<u>2023</u>	
	No. of units	AUD	No. of units	AUD
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purpose)				
- RM Class	2,673	469	2,791	473
- AUD Class	2,390	1,447	2,610	1,526
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Directors of the Manager:</u>				
Director of AHAM Asset Management Berhad (The units are held beneficially)				
- RM Class	-	-	579,919	98,238
- AUD Class	2,827	1,712	34,835	20,368
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

## AHAM SELECT AUD INCOME FUND

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

#### 16 TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	1.62	1.62

TER is derived from the following calculation:

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

- A = Management fee
- B = Trustee fees
- C = Fund accounting fee
- D = Auditors’ remuneration
- E = Tax agent’s fee
- F = Other expenses, excluding sales and service tax on transaction costs and withholding tax
- G = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is AUD119,570,288 (2023: AUD155,633,494).

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

	<u>2024</u>	<u>2023</u>
PTR (times)	0.76	0.53

PTR is derived from the following calculation:

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

Where: total acquisition for the financial year = AUD71,986,812 (2023: AUD69,261,817)  
total disposal for the financial year = AUD110,727,361 (2023: AUD95,876,145)

## **AHAM SELECT AUD INCOME FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 55 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year ended 31 August 2024 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**AHAM ASSET MANAGEMENT BERHAD**

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
24 October 2024

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AHAM SELECT AUD INCOME FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of AHAM Select AUD Income Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 55.

#### Basis for opinion

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

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

#### *Independence and other ethical responsibilities*

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

#### Information other than the financial statements and auditors’ report thereon

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

**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM SELECT AUD INCOME FUND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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



**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM SELECT AUD INCOME FUND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF AHAM SELECT AUD INCOME FUND (CONTINUED)**

**OTHER MATTERS**

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

**PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants**

**Kuala Lumpur  
24 October 2024**

## **DIRECTORY OF SALES OFFICE**

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

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