

ANNUAL REPORT

31 July 2025

AHAM PRS

Conservative Fund

PROVIDER

AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE

CIMB Commerce Trustee Berhad
(313031-A)

AHAM PRS CONSERVATIVE FUND

**Annual Report and Audited Financial Statements
For The Financial Year Ended 31 July 2025**

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FUND INFORMATION

Fund Name	AHAM PRS Conservative Fund
Fund Type	Income
Fund Category	Core (Conservative) – Mixed Asset
Investment Objective	To provide Members with a Fund that preserves capital for their retirement needs
Benchmark	10% MSCI AC World Index + 5% MSCI AC Asia ex Japan Index + 5% FTSE Bursa Malaysia Top 100 Index + 80% Maybank 12-Month Fixed Deposit Rate
Distribution Policy	The Fund will endeavour to declare distribution* on a semi-annual basis after the end of its first financial year, subject to the availability of income. <i>*All distributions will be automatically reinvested on behalf of the Members based on the NAV per Unit of the Fund(s), computed at the close of the second (2nd) Business Day after the distribution declaration date.</i>

FUND PERFORMANCE DATA

Category	As at 31 Jul 2025 (%)	As at 31 Jul 2024 (%)	As at 31 Jul 2023 (%)
Portfolio composition			
Collective investment schemes – local			
- AHAM Aiiman Growth Fund	3.59	5.49	8.78
- AHAM Bond Fund	21.58	30.32	46.63
- AHAM Select Asia (ex Japan) Opportunity Fund	4.98	4.15	5.42
- AHAM Select Asia Pacific (ex Japan) Balanced Fund	-	-	5.13
- AHAM Aiiman ESG Income Plus Fund	22.20	25.00	-
- AHAM Income Extra Fund	-	10.70	-
- AHAM Select Opportunity Fund	4.36	5.99	-
- AHAM Select Bond Fund	19.36		
- AIIMAN Global Equity Fund	6.10	6.56	-
Total collective investment schemes – local	82.17	88.21	65.96
Total collective investment scheme – foreign	1.58	-	-
Total exchange-traded funds – foreign	3.06	-	-
Total unquoted fixed income security – local	-	-	14.74
Cash & cash equivalents	13.19	11.79	19.30
Total	100.00	100.00	100.00
Total NAV (RM million)	37.911	31.852	24.093
NAV per unit (RM)	0.6008	0.6076	0.5864
Unit in Circulation (million)	63.096	52.427	41.090
Highest NAV	0.6085	0.6126	0.5864
Lowest NAV	0.5776	0.5720	0.5609
Return of the Fund (%)	2.83	6.03	3.82
- Capital Growth (%)	-1.12	3.62	2.02
- Income Distribution (%)	3.99	2.33	1.76
Gross Distribution per unit (sen)	2.32	1.35	1.00
Net Distribution per unit (sen)	2.32	1.35	1.00
Total Expense Ratio (%) [†]	1.46	1.45	1.44
Portfolio Turnover Ratio (times) [‡]	0.24	0.50	0.16

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 financial year taking into account all the distribution payable (if any) during the stipulated financial year.

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

[†] The TER of the Fund was slightly higher than previous year due to an increase in incurred expenses during the financial year.

[‡] The PTR of the Fund was lower than previous year as the Provider decreased its portfolio activities during the financial year.

Income Distribution / Unit Split

The NAV per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution	Distribution per Unit (RM)	Ex-distribution
15-Apr-25	16-Apr-25	0.5879	0.0099	0.5788
15-Oct-24	16-Oct-24	0.6056	0.0133	0.5923
16-Apr-24	17-Apr-24	0.5997	0.0050	0.5939
17-Oct-23	18-Oct-23	0.5840	0.0085	0.5751
18-Apr-23	19-Apr-23	0.5822	0.0050	0.5769
18-Oct-22	19-Oct-22	0.5659	0.0050	0.5609

No unit split was declared for the financial year ended 31 July 2025.

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	19-Oct-22	0.5000	100	-	-
MYR	19-Apr-23	0.5000	100	-	-
MYR	18-Oct-23	0.8500	100	-	-
MYR	17-Apr-24	0.5000	100	-	-
MYR	16-Oct-24	1.3300	100	-	-
MYR	16-Apr-25	0.9900	100	-	-

Fund Performance

Average Total Return ended 31 July 2025

1 Year	3 Years	5 Years
2.83%	4.21%	1.74%

Annual Total Return for the Financial Year ended 31 July

2025	2024	2023	2022	2021
2.83%	6.03%	3.82%	(5.38%)	1.77%

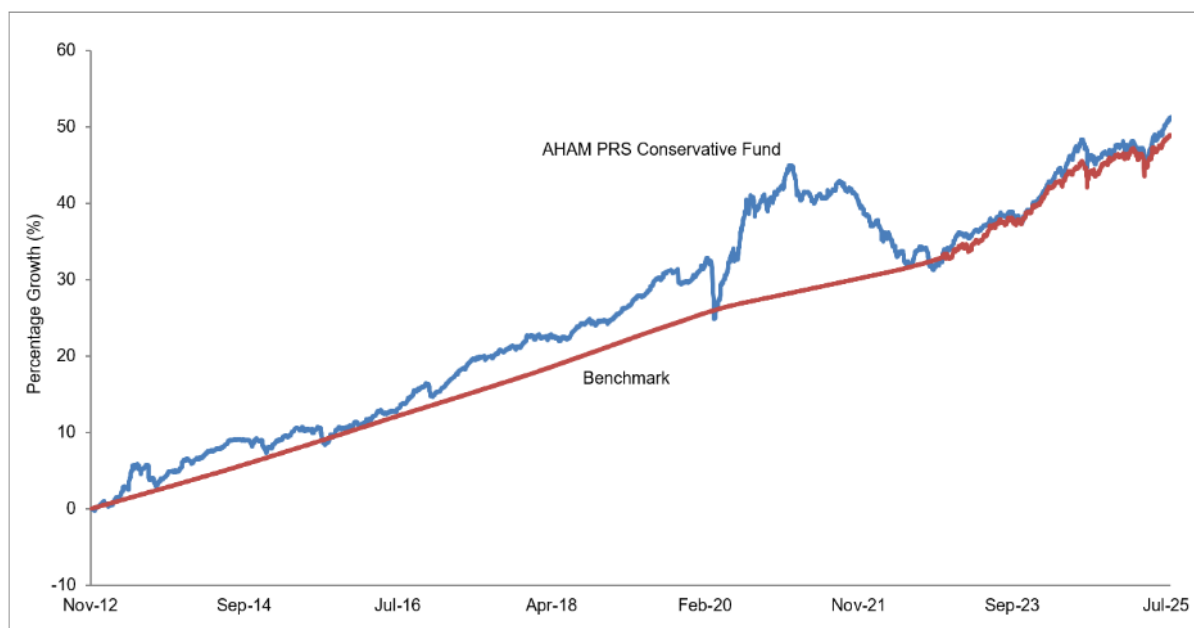
Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

PROVIDER'S REPORT

Performance Review (1 August 2024 to 31 July 2025)

The Fund has registered a return of 51.31% since commencement compared to the benchmark return of 48.86%, outperforming by 2.45%. For the financial year under review, the Fund registered a 2.83% return compared to the benchmark return of 2.86%. The Fund thus underperformed the benchmark by 0.03%. The Net Asset Value per unit ("NAV") of the Fund as at 31 July 2025 was MYR0.6008 while the NAV as at 31 July 2024 was MYR0.6076. During the financial year, the Fund has declared a total income distribution of MYR0.0232 per unit.

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.

Benchmark: 10% MSCI AC World Index + 5% MSCI AC Asia ex Japan Index + 5% FTSE Bursa Malaysia Top 100 Index + 80% Maybank 12-Month Fixed Deposit Rate.

Benchmark source: Bloomberg.

Asset Allocation

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

As at 31 July 2025, the Fund's exposure to the collective investment schemes and exchange-traded funds stood at 83.75% and 3.06% of the Fund's NAV respectively, while the balance was held in cash and cash equivalent.

Strategies Employed

The Provider continued to maintain an appropriate balance comprising mainly of equity and fixed income exposures, that is in accordance with the asset allocation profile and characteristic of respective private retirement scheme ("PRS") funds. Positioning was slightly more defensive leading up to the Liberation day, with a greater allocation to fixed income and cash. The Provider has subsequently deployed more into equity.

For equities, the Provider maintained a diversified exposure to developed markets, Asian and domestic equities. Tactical allocations are made accordingly as the macro environment evolves.

For fixed income, the Provider has emphasized on funds with good portfolio yield carry with a focus on higher credit fixed income duration given interest rates have materially risen and credit spread compression potential was a key theme on the regional front. The duration strategy is also executed with the view that developed market interest rates have peaked and there is room for potential interest rate cuts amid greater signs of moderation in global inflation and growth. Domestic fixed income funds was also a key feature in the PRS portfolio given the healthy fiscal and growth path in Malaysia while being supported by strong local and rising foreign demand. We note that for fixed income ("FI") exposures, corporate bonds form the majority of the FI portfolio composition. The Provider prefers Investment Grade ("IG") or better quality underlying bond exposures for the Fund.

The Provider will continue to focus on quality exposures in accordance with the investment and asset allocation parameters of the Fund. For its underlying investments, there will be a preference for companies with proven execution track record, strong cash flow generation and attractive valuation.

Market Review

In the 12 months up to 31 July 2025, financial markets have experienced significant movements, influenced by central bank policies, macroeconomic data and geopolitical events. Despite mixed shifts in sentiment, equity and fixed income assets have overall delivered decent returns, particularly in the past few months.

The United States ("U.S.") Presidential election that was held on 5 November 2024 resulted in a significant victory for the Republican candidate Donald Trump as well as a Republican majority in both Senate and the House. Risk assets initially reacted positively on expectations that a Republican sweep will lead to reacceleration in economy. However, tariff uncertainty following "Liberation Day" on 2 April 2025 had initially heightened risk aversion and caused risk assets to underperform. We also note there was an escalation in the Iran-Israel conflict in June. Despite these developments, risk sentiment over the past several months has turned out very well, partly due to Trump's subsequent delay in tariff implementation and more recently, better than initially proposed tariff outcomes.

The S&P 500 index, a benchmark for the U.S. stock market, experienced a price return of approximately 14.8% in USD terms in the past 12 months. Healthy earnings growth, combined with expectation of interest rate cuts, supported market strength. Technology sector, driven by strong demand for artificial intelligence ("AI") chips and services, was a key contributor to the index's return.

The U.S. 10-year Treasury yields fluctuated significantly in the past 12 months - trading in a range of 3.60-4.80%. U.S. treasury yield movements were driven by shifts in fiscal stance, monetary policy, economic data and geopolitical developments. After keeping interest rate at 5.50% for 14 months, the Federal Reserve ("Fed") began cutting rates cumulatively by 100bps in the second half of 2024 to 4.50%. This reflected a normalization of the Fed's restrictive monetary policy as U.S. inflation moved closer towards its 2% target. In 2025, the Fed has so far kept rates unchanged at 4.50%. While economic indicators have shown mixed signals, U.S. economic growth has remained somewhat resilient and unemployment rate is stabilizing at 4.1%-4.2% in the last 12 months. U.S. inflation continued to ease but remains above the Fed's 2% inflation target as of July 2025. Furthermore, the future path of inflation remains unclear against a backdrop of uncertainties around the effect of U.S. trade tariffs.

Meanwhile, other major central banks have eased their monetary policies in response to softer global economic outlook. Notably, in the 12 months up to 31 July 2025, the European Central Bank ("ECB") has cut rates by 175 basis points ("bps"), the Bank of England ("BoE") by 100bps and the Reserve Bank of Australia ("RBA") by 50bps.

On the fiscal front, Trump's passing of U.S.'s One Big Beautiful Bill Act has led to concerns of material fiscal deterioration in the U.S.. Overall, a mixture of these developments led to a steeper U.S. treasury yield curve, with the 10-year yields settling at 4.37%, 34bps higher year-over-year ("YoY") while the shorter end benefitted from lower yields. In Europe ("EU"), a similar trend emerged as Germany and EU have embarked on a more significant fiscal stimulus effort, involving overhaul of fiscal framework, establishment of infrastructure fund and garnering greater EU commitments on spending.

Despite the volatility in government bond yields, global corporate bonds delivered good returns mainly because of improved yield carry and credit spread compression, a result of strong demand from investors for income yielding assets as corporate fundamentals remain healthy and risk sentiment were favorable. Asia fixed income assets also benefitted where factors such as stable economic growth in key markets, coupled with a supportive

policy backdrop, have contributed to this trend. This has led to increased issuance and a competitive market for corporate bonds across the region.

On the other hand, the Morgan Stanley Capital International (“MSCI”) Asia ex-Japan Index registered a price return of roughly 17.7% in USD terms in the past 12 months. Weak USD and interest rate cuts among Asian countries have been a tailwind to economic growth and equity market return.

In Malaysia, Bank Negara Malaysia has preemptively cut the Overnight Policy Rate by 25bps to 2.75% since keeping it stable from mid-2023, in response to the view on growth slowdown led by external factors. This together with strong demand for MYR denominated bonds translated into lower local bond market yields in both the government bonds and private debt securities space.

The Malaysian equity market underperformed as the Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) price return was only 0.2% in the past 12 months. In early 2025, the Malaysian stock market weakened due to U.S. restrictions on AI chip exports to Malaysia and uncertainty over potential semiconductor tariffs.

Investment Outlook

Elevated yields, slowing growth expectation, and persistent inflation risks defined the landscape, while policy and geopolitical uncertainty remain key watchpoints for the year ahead. Despite volatile market, for the remainder of the year, we continue to expect global interest rates to be on a declining trend albeit on a very gradual and data dependent basis as central banks are concerned with rising inflation expectations. Furthermore, with yields on government bonds remaining relatively attractive compared to historical standards, they are likely to attract risk-averse investors seeking stability amidst market volatility. However, the pace of economic recovery and inflation dynamics will be critical factors influencing bond performance, as unexpected inflation could erode real returns.

The announcement of the “Liberation Day” tariffs has delivered a major shock to global trade, with export-driven Asian economies likely to bear the brunt of the fallout. While we believe the direct impact of U.S. tariffs is relatively contained and effectively mitigated, global investments still face the broader repercussions of a slowdown in economic growth—one that could potentially derail the recent recovery in the credit cycle. Investors will still have to watch out for risks of a broader repricing of global credit in response to possibility of a U.S. recession and its spillover effect.

Bonds remain compelling option for long-term investment given their yield carry. After the sharp rise in interest rates in the last 2-3 years followed by some rate cuts, bonds are still offering attractive yield carry and may benefit from more rate cuts. The main composition of the Fund’s fixed income investments are corporate bonds, diversified regionally and across sectors. Strong technical for income yielding assets and resilient fundamentals have been supportive of corporate bond credit spreads.

For equities, earnings growth is expected to be decent despite tariff disruption on global supply chains. While U.S. may experience slower earnings growth, it is still forecasted to grow at high single digit. However, U.S. equity’s valuation is on the high side which may be a headwind to future return. Non- U.S. markets, on the other hand, should continue to benefit from weaker USD. Interest rate cuts globally are also a tailwind to global equity performance.

To navigate the current market turbulence, several factors must be considered. Interest rate risk remains a significant concern, as rising rates can lead to declining bond prices, particularly for long-duration securities, and these may also have implications on risk assets. On the positive note, we view that interest rates are more likely to be cut over the next twelve months, though the pace and timing remain cautious and data dependent. Despite concerns on slowing growth and recession risks, the current environment allows for active management strategies, where investors can capitalize on mispriced opportunities. One will also need to be vigilant on geopolitics as it continues to be a key driver of investors’ sentiment this year.

Closer to home, we expect Malaysia to undergo some slowdown because of externalities arising from trade related effects but this is offset by robust domestic consumption and government initiatives. This should still translate to Gross Domestic Product (“GDP”) growth closer to 4% area. These coupled with low inflation levels translate to a benign environment supportive of domestic fixed income. Meanwhile, stocks may also benefit from a healthy support from local investors despite a more challenging period in the year.

Taking all these global and local market dynamics into consideration, the Provider will remain vigilant in positioning for the Fund and to capitalise on various opportunities that presents itself.

Situation 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 members during the financial year 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 members of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

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

Cross Trade

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

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 Disclosure Document

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

SCHEME TRUSTEE'S REPORT TO THE MEMBERS OF AHAM PRS CONSERVATIVE FUND ("Fund")

We have acted as Scheme Trustee of the Fund for the financial year from 1 August 2024 to 31 July 2025 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 financial year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed 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 and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
23 September 2025

AHAM PRS CONSERVATIVE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

AHAM PRS CONSERVATIVE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

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AHAM PRS CONSERVATIVE FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
INVESTMENT INCOME			
Dividend income		1,097,163	729,973
Interest income from financial assets at amortised cost		188,706	188,396
Interest income from financial assets at fair value through profit and loss		-	132,463
Net loss on foreign currency exchange		(867)	-
Net gain on financial assets at fair value through profit or loss	10	248,353	1,149,873
		<u>1,533,355</u>	<u>2,200,705</u>
EXPENSES			
Management fee	4	(445,527)	(373,830)
Scheme Trustee fee	5	(13,708)	(11,517)
Private Pension Administrator ("PPA") administration fee	6	(13,708)	(11,517)
Fund accounting fee	7	(12,000)	(6,000)
Auditors' remuneration		(8,500)	(8,500)
Tax agent's fee		(3,500)	(3,500)
Other expenses		(4,466)	(2,050)
		<u>(501,409)</u>	<u>(416,914)</u>
NET PROFIT BEFORE TAXATION		1,031,946	1,783,791
Taxation	8	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>1,031,946</u>	<u>1,783,791</u>
Net profit after taxation is made up of the following:			
Realised amount		1,124,002	967,658
Unrealised amount		(92,056)	816,133
		<u>1,031,946</u>	<u>1,783,791</u>

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

AHAM PRS CONSERVATIVE FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2025

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
ASSETS			
Cash and cash equivalents	11	564,781	688,270
Term deposits	12	4,455,940	3,089,489
Amount due from Provider			
- creation of units		70,237	3,039
- management fee rebate receivable		28,094	23,882
Financial assets at fair value through profit or loss	10	32,911,776	28,097,941
TOTAL ASSETS		<u>38,030,828</u>	<u>31,902,621</u>
LIABILITIES			
Amount due to Provider			
- management fee		41,585	35,129
- cancellation of units		62,421	-
Amount due to Scheme Trustee		1,280	1,081
Amount due to PPA		1,279	1,081
Fund accounting fee		1,000	1,000
Auditors' remuneration		8,500	8,500
Tax agent's fee		3,500	3,500
Other payables and accruals		719	191
TOTAL LIABILITIES		<u>120,284</u>	<u>50,482</u>
NET ASSET VALUE OF THE FUND		<u>37,910,544</u>	<u>31,852,139</u>
EQUITY			
Members' capital		35,526,213	29,203,754
Retained earnings		2,384,331	2,648,385
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>37,910,544</u>	<u>31,852,139</u>
NUMBER OF UNITS IN CIRCULATION	13	<u>63,096,000</u>	<u>52,427,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6008</u>	<u>0.6076</u>

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

AHAM PRS CONSERVATIVE FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	Members' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 August 2024	29,203,754	2,648,385	31,852,139
Total comprehensive income for the financial year	-	1,031,946	1,031,946
Distributions (Note 9)	-	(1,296,000)	(1,296,000)
Movement in members' capital:			
Creation of units arising from applications	9,212,355	-	9,212,355
Creation of units arising from distributions	1,296,000	-	1,296,000
Cancellation of units	(4,185,896)	-	(4,185,896)
Balance as at 31 July 2025	<u>35,526,213</u>	<u>2,384,331</u>	<u>37,910,544</u>
Balance as at 1 August 2023	22,609,625	1,483,513	24,093,138
Total comprehensive income for the financial year	-	1,783,791	1,783,791
Distributions (Note 9)	-	(618,919)	(618,919)
Movement in members' capital:			
Creation of units arising from applications	8,769,438	-	8,769,438
Creation of units arising from distributions	618,919	-	618,919
Cancellation of units	(2,794,228)	-	(2,794,228)
Balance as at 31 July 2024	<u>29,203,754</u>	<u>2,648,385</u>	<u>31,852,139</u>

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

AHAM PRS CONSERVATIVE FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		5,868,697	10,546,552
Purchase of investments		(9,648,107)	(17,580,000)
Proceeds from maturity of term deposits		3,506,559	5,507,259
Placement of term deposits		(4,836,878)	(6,013,818)
Interest received		152,574	314,869
Management fee rebate received		306,879	208,842
Management fee paid		(439,071)	(365,320)
Scheme Trustee fee paid		(13,509)	(11,255)
PPA administration fee paid		(13,510)	(11,255)
Fund accounting fee paid		(12,000)	(5,000)
Payment for other fees and expenses		(15,938)	(15,164)
Net realised foreign exchange loss		(550)	-
Net cash flows used in operating activities		<u>(5,144,854)</u>	<u>(7,424,290)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		9,145,157	8,774,593
Payments for cancellation of units		(4,123,475)	(2,829,931)
Net cash flows generated from financing activities		<u>5,021,682</u>	<u>5,944,662</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(123,172)	(1,479,628)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(317)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		688,270	2,167,898
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	11	<u>564,781</u>	<u>688,270</u>

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

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

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. 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 International Financial Reporting Standards 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 Provider to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Provider'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 J.

- (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 2024 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 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition);
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (continued)
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'
 - The new MFRS introduces a new structure of profit or loss statement.
 - i. Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - ii. Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

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).

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

B INCOME RECOGNITION (CONTINUED)

Realised gains and losses on sale of investments

For collective investment schemes ("CIS") and exchanged-traded funds ("ETF"), 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 DISTRIBUTION

A distribution to the Fund's members is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the year in which it is approved by the Scheme Trustee of the Fund.

D TAXATION

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-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.

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely payments of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in CIS and ETF have contractual cash flows that do not represent SPPI, and therefore are classified as financial assets measured at fair value through profit or loss.

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

The Fund classifies amount due to Provider, amount due to Scheme Trustee, amount due to PPA, 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 initial measurement

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

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

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and initial measurement (continued)

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gain on financial assets at fair value through profit or loss' in the financial year which they arise.

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

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

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 Provider will determine the point within the bid-ask spread that is most representative of the fair value.

Investment in CIS is valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

Financial assets measured 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.

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

The debtor meets 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 reorganization; and
- the debtor is insolvent.

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

Write-off

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

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

H CASH AND CASH EQUIVALENTS

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

AHAM PRS CONSERVATIVE FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

I MEMBERS' CAPITAL

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

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

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

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to members with the total number of outstanding units. In accordance with the SC's Guidelines on Private Retirement Schemes, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

J CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

In undertaking any of the Fund's investment, the Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC's Guidelines on Private Retirement Schemes.

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

1 INFORMATION ON THE FUND

The Private Retirement Scheme ("PRS") was constituted under the name Hwang PRS Conservative Fund pursuant to the execution of a Deed dated 25 October 2012 as modified by a Supplemental Deed dated 17 June 2013, a Second Supplemental Deed dated 24 July 2014, a Third Supplemental Deed dated 17 October 2014, a Fourth Supplemental Deed dated 13 June 2016, a Restated Deed dated 18 December 2017, a First Supplemental Restated Deed dated 11 December 2020, a Second Supplemental Restated Deed dated 27 April 2022 and a Third Supplemental Restated Deed dated 27 April 2023 (the "Deeds") entered into between AHAM Asset Management Berhad (the "Provider") and CIMB Commerce Trustee Bhd (the "Scheme Trustee"). The Fund has changed its name from Hwang PRS Conservative Fund to Affin Hwang PRS Conservative Fund as amended by the Second Supplemental Deed dated 24 July 2014 and from Affin Hwang PRS Conservative Fund to AHAM PRS Conservative Fund as amended by the Second Supplemental Restated Deed dated 27 April 2022.

The Fund commenced operations on 2 November 2012 and will continue its operations until terminated by the Scheme Trustee as provided under Clause 14.4 of the Deed.

The Fund may invest in any of the following investments:

- (a) Listed securities;
- (b) Deposits with financial institutions;
- (c) Money market instruments such as negotiable certificates of deposits and bankers acceptance;
- (d) Government bonds, treasury bills and other government approved or guaranteed bonds;
- (e) Debentures;
- (f) Units or shares in collective investment schemes, both local and foreign;
- (g) Derivatives; and
- (h) Any other form of investments permitted by SC from time to time.

All investments will be subjected to the SC's Guidelines on Private Retirement Schemes, the Deeds and the objective of the Fund.

The main objective of the Fund is to provide members with preserved capital for their retirement needs.

The Provider is a company incorporated in Malaysia. The principal activities of the Provider 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 Provider on 23 September 2025.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2025</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	564,781	-	564,781
Term deposits	12	4,455,940	-	4,455,940
Amount due from Provider				
- creation of units		70,237	-	70,237
- management fee rebate receivable		28,094	-	28,094
Collective investment schemes	10	-	31,752,633	31,752,633
Exchange-traded funds	10	-	1,159,143	1,159,143
Total		<u>5,119,052</u>	<u>32,911,776</u>	<u>38,030,828</u>
<u>Financial liabilities</u>				
Amount due to Provider				
- management fee		41,585	-	41,585
- cancellation fee		62,421	-	62,421
Amount due to Scheme Trustee		1,280	-	1,280
Amount due to PPA		1,279	-	1,279
Fund accounting fee		1,000	-	1,000
Auditors' remuneration		8,500	-	8,500
Tax agent's fee		3,500	-	3,500
Other payables and accruals		719	-	719
Total		<u>120,284</u>	<u>-</u>	<u>120,284</u>

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	688,270	-	688,270
Term deposits	12	3,089,489	-	3,089,489
Amount due from Provider				
- creation of units		3,039	-	3,039
- management fee rebate receivable		23,882	-	23,882
Collective investment schemes	10	-	28,097,941	28,097,941
Total		<u>3,804,680</u>	<u>28,097,941</u>	<u>31,902,621</u>
<u>Financial liabilities</u>				
Amount due to Provider				
- management fee		35,129	-	35,129
Amount due to Scheme Trustee		1,081	-	1,081
Amount due to PPA		1,081	-	1,081
Fund accounting fee		1,000	-	1,000
Auditors' remuneration		8,500	-	8,500
Tax agent's fee		3,500	-	3,500
Other payables and accruals		191	-	191
Total		<u>50,482</u>	<u>-</u>	<u>50,482</u>

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

Financial risk management is carried out through internal control processes adopted by the Provider and adherence to the investment restrictions as stipulated by the SC's Guidelines on Private Retirement Schemes.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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 Provider 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>2025</u> RM	<u>2024</u> RM
Quoted investments		
Collective investment schemes	31,752,633	28,097,941
Exchanged-traded funds	1,159,143	-
	<u>32,911,776</u>	<u>28,097,941</u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2024: 5%) and decreased by 5% (2024: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in CIS and exchanged-traded funds, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2025</u>		
-5%	31,266,187	(1,645,589)
0%	32,911,776	-
+5%	<u>34,557,365</u>	<u>1,645,589</u>
<u>2024</u>		
-5%	26,693,044	(1,404,897)
0%	28,097,941	-
+5%	<u>29,502,838</u>	<u>1,404,897</u>

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

In general, when interest rates rise, prices of unquoted fixed income securities will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, members should be aware that should the Fund hold an unquoted fixed income security until maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Provider 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 Provider, 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.

Members 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 Fund is not exposed to interest rate risk on investments as at 31 July 2025 and 31 July 2024 as the investments held has been fully written down.

The Fund's exposure to interest rate risk associated with deposits with a licensed financial institution is not material as the carrying value of the deposits are held on a short-term basis as at 31 July 2025.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Provider will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as profit 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:

	Collective investment scheme RM	Exchange- traded funds RM	Cash and cash equivalents RM	Total RM
<u>2025</u>				
<u>Financial assets</u>				
United States Dollar	<u>600,246</u>	<u>1,159,143</u>	<u>14,217</u>	<u>1,773,606</u>

The Fund has no financial instruments denominated in foreign currencies as at 31 July 2024.

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables remain constants. 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 members by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit after tax/NAV RM
<u>2025</u>		
United States Dollar	+/-7.51	<u>+/- 133,198</u>

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Provider manages the credit risk by undertaking credit evaluation to minimise risk.

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.

For unquoted fixed income securities, the Provider regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and SC's Guidelines on Private Retirement Schemes.

The settlement terms of the proceeds from the creation of units receivable from the Provider are governed by the SC's Guidelines on Private Retirement Schemes.

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

	Cash and cash equivalents RM	Term deposits RM	Amount due from Provider RM	Total RM
<u>2025</u>				
Financial Services				
- AAA	564,781	4,455,940	-	5,020,721
Others				
- Non-rated ("NR")	-	-	98,331	98,331
	<u>564,781</u>	<u>4,455,940</u>	<u>98,331</u>	<u>5,119,052</u>
	Cash and cash equivalents RM	Term deposits RM	Amount due from Provider RM	Total RM
<u>2024</u>				
Financial Services				
- AAA	688,270	3,089,489	-	3,777,759
Others				
- NR	-	-	26,921	26,921
	<u>688,270</u>	<u>3,089,489</u>	<u>26,921</u>	<u>3,804,680</u>

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

Liquidity risk

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

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

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2025</u>			
Amount due to Provider			
- management fee	41,585	-	41,585
- cancellation of units	62,421	-	62,421
Amount due to Scheme Trustee	1,280	-	1,280
Amount due to PPA	1,279	-	1,279
Fund accounting fee	1,000	-	1,000
Auditors' remuneration	-	8,500	8,500
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	719	719
	<u>107,565</u>	<u>12,719</u>	<u>120,284</u>

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

Liquidity risk (continued)

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2024</u>			
Amount due to Provider			
- management fee	35,129	-	35,129
Amount due to Scheme Trustee	1,081	-	1,081
Amount due to PPA	1,081	-	1,081
Fund accounting fee	1,000	-	1,000
Auditors' remuneration	-	8,500	8,500
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	191	191
	<u>38,291</u>	<u>12,191</u>	<u>50,482</u>

Capital risk

The capital of the Fund is represented by equity consisting of members' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. 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 members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Collective investment scheme risk

This risk is associated with the Fund's investment in CIS exposing the Fund to the inherent investment risks faced by the CIS. The Fund may also be exposed to liquidity risk which may arise from the inability of the CIS to meet redemption amounts, as well as the risk of not being aligned with the Fund's mandate in the event the CIS that the Fund is invested into breaches its asset allocation limits. Therefore, should any of the risks faced by the CIS materialised, the performance of the Fund will be affected.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded 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 that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

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

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

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2025</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	31,752,633	-	-	32,752,633
- exchanged-traded funds	1,159,143	-	-	1,159,143
	<u>32,911,776</u>	<u>-</u>	<u>-</u>	<u>32,911,776</u>
<u>2024</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	28,097,941	-	-	28,097,941
	<u>28,097,941</u>	<u>-</u>	<u>-</u>	<u>28,097,941</u>

Investments whose values are based on quoted and published market prices in active markets, and are therefore classified within Level 1, include collective investment schemes and ETFs. The Fund does not adjust the quoted and published 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 includes 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 value of cash and cash equivalents, term deposits, amount due from Provider and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deeds, the Provider 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 as stated in the Deed.

For the financial year ended 31 July 2025, the management fee is recognised at a rate of 1.30% (2024: 1.30%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Disclosure Document.

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

5 SCHEME TRUSTEE FEE

In accordance with the Deeds, the Scheme Trustee is entitled to an annual fee at a rate not exceeding 1.00% per annum on the NAV of the Fund, excluding foreign custody fee and charges.

For the financial year ended 31 July 2025, the Scheme Trustee fee is recognised at a rate of 0.04% (2024: 0.04%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Disclosure Document.

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

6 PRIVATE PENSION ADMINISTRATOR ("PPA") ADMINISTRATION FEE

For the financial year ended 31 July 2025, the PPA administration fee is recognised at a rate of 0.04% (2024: 0.04%) per annum on the NAV of the Fund calculated on a daily basis.

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

7 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM12,000 (2024: RM 6,000) during the financial year ended.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

8 TAXATION

	<u>2025</u> RM	<u>2024</u> RM
Current taxation	-	-

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

	<u>2025</u> RM	<u>2024</u> RM
Net profit before taxation	1,031,946	1,783,791
Tax at Malaysian statutory rate of 24% (2024: 24%)	247,667	428,110
Tax effects of:		
Investment income not subject to tax	(293,344)	(475,812)
Expenses not deductible for tax purposes	11,012	8,300
Restrictions on tax deductible expenses for PRS Fund	34,665	39,402
Tax expense	-	-

9 DISTRIBUTIONS

	<u>2025</u> RM	<u>2024</u> RM
Net distribution amount	1,296,000	618,919

During the financial year ended 31 July 2025, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
16.10.2024	1.33
16.04.2025	0.99
	2.32

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

9 DISTRIBUTIONS (CONTINUED)

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

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
18.10.2023	0.85
17.04.2024	0.50
	1.35

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 RM707,188 (2024: RM360,689) made from previous years' realised income.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2025</u> RM	<u>2024</u> RM
Financial assets at fair value through profit or loss:		
- collective investment schemes – local	31,152,387	28,097,941
- collective investment scheme – foreign	600,246	-
- unquoted fixed income security – local	-	-
- exchange-traded funds – foreign	1,159,143	-
	32,911,776	28,097,941
Net gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	29,002	115,583
- unrealised (loss)/gain on changes in fair value	(91,740)	816,133
- management fee rebate on collective investment schemes#	311,091	218,157
	248,353	1,149,873

In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in collective investment schemes have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

(a) Collective investment schemes – local

(i) Collective investment schemes – local as at 31 July 2025 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
AHAM Aiiman ESG Income Plus Fund*	14,353,767	8,359,659	8,417,049	22.20
AHAM Aiiman Growth Fund*	1,114,664	1,345,859	1,362,566	3.59
AHAM Bond Fund*	13,637,335	8,127,341	8,182,401	21.58
AHAM Select Asia (ex Japan) Opportunity Fund – MYR Class*	2,275,124	1,667,613	1,886,533	4.98
AHAM Select Bond Fund – RM Class*	12,606,502	7,356,296	7,339,506	19.36
AHAM Select Opportunity Fund*	1,497,895	1,581,462	1,651,878	4.36
Aiiman Global Equity Fund – MYR Class**	2,718,296	2,022,000	2,312,454	6.10
Total collective investment schemes – local	<u>48,203,583</u>	<u>30,460,230</u>	<u>31,152,387</u>	<u>82.17</u>
Accumulated unrealised gain on collective investment schemes – local		<u>692,157</u>		
Total collective investment schemes – local		<u>31,152,387</u>		

* Managed by the Provider of the Fund.

** Managed by the wholly-owned subsidiary of the Provider, AIIMAN Asset Management Sdn Bhd.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

(a) Collective investment schemes – local (continued)

(ii) Collective investment schemes – local as at 31 July 2024 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
AHAM Aiiman ESG Income Plus Fund*	13,602,609	7,923,372	7,962,967	25.00
AHAM Aiiman Growth Fund*	1,276,975	1,541,835	1,749,840	5.49
AHAM Bond Fund*	16,212,440	9,664,096	9,656,129	30.32
AHAM Income Extra Fund*	3,269,288	3,404,731	3,409,213	10.70
AHAM Select Asia (ex Japan) Opportunity Fund – MYR Class*	1,715,292	1,241,613	1,323,176	4.15
AHAM Select Opportunity Fund*	1,488,238	1,548,417	1,907,177	5.99
Aiiman Global Equity Fund – MYR Class**	2,665,440	1,980,000	2,089,439	6.56
Total collective investment schemes – local	40,230,282	27,304,064	28,097,941	88.21
Accumulated unrealised gain on collective investment schemes – local		793,877		
Total collective investment schemes – local		28,097,941		

* Managed by the Provider of the Fund.

** Managed by the wholly-owned subsidiary of the Provider, AIIMAN Asset Management Sdn Bhd.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

(b) Collective investment scheme – foreign

(i) Collective investment scheme – foreign as at 31 July 2025 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
PIMCO Funds: Global Investors Series PLC – Income Fund Institutional USD Accumulation	7,376	593,740	600,246	1.58
Total collective investment scheme – foreign	<u>7,376</u>	<u>593,740</u>	<u>600,246</u>	<u>1.58</u>
Accumulated unrealised gain on collective investment scheme – foreign		6,506		
Total collective investment scheme – foreign		<u>600,246</u>		

(ii) There was no collective investment scheme – foreign as at 31 July 2024.

(c) Unquoted fixed income security – local

(i) Unquoted fixed income security – local as at 31 July 2025 is as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bond</u>				
6.20% MEX II Sdn Bhd 29.04.2032 (D)*	900,000	926,244	-	-
Total unquoted fixed income security – local	<u>900,000</u>	<u>926,244</u>	<u>-</u>	<u>-</u>
Accumulated unrealised loss on unquoted fixed income security – local		(926,244)		
Total unquoted fixed income security – local		<u>-</u>		

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

(c) Unquoted fixed income security – local (continued)

(ii) Unquoted fixed income security – local as at 31 July 2024 is as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bond</u>				
6.20% MEX II Sdn Bhd 29.04.2032 (D)*	900,000	926,244	-	-
Total unquoted fixed income security – local	900,000	926,244	-	-
Accumulated unrealised loss on unquoted fixed income security – local		(926,244)		
Total unquoted fixed income security – local		-		

* MEX II Sdn Bhd ("MEX II")

On 3 January 2022, the Trustee declared an event of default when MEX II Sdn Bhd ("the company") failed to make payment on the due date of 31 December 2021. On 5 January 2022, MEX II applied for a Judicial Management Order, which faced multiple adjournments before the High Court dismissed it on 26 April 2022. Despite subsequent appeals filed by MEX II, both the Court of Appeal on 15 May 2023 and the Federal Court on 26 September 2023, upheld the previous dismissal, exhausting MEX II's avenues for appeal in this matter.

BDO Consulting Sdn Bhd ("BDO") has been appointed as the Receiver and Manager effective 28 February 2023, following the notice of intention to resign from Ernst & Young Advisory Services Sdn Bhd on 13 February 2023, and cessation to act as the Receiver and Manager effective 27 February 2023. BDO is working closely with the Sukukholders Working Group on potential solutions to maximise recovery value for the Sukukholders. On 13 September 2024, BDO submitted an updated restructuring proposal to the Government of Malaysia ("GOM"). BDO was subsequently informed via a letter dated 16 April 2025 that the proposal was not approved by GOM. BDO will continue to work with the Sukukholders Working Group to address key issues before submitting a fresh proposal to GOM.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

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

(d) Exchange-traded funds - foreign

(i) Exchange-traded funds – foreign as at 31 July 2025 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
iShares J.P. Morgan EM Local Govt Bond UCITS ETF USD (Accumulating)	15,450	339,055	347,658	0.92
iShares MSCI EM UCITS ETF USD (Acc)	2,235	442,075	436,769	1.15
SPDR Gold Shares	290	374,539	374,716	0.99
Total exchange-traded funds – foreign	17,975	1,155,669	1,159,143	3.06
Accumulated unrealised gain on exchange-traded funds – foreign		3,474		
Total exchange-traded funds – foreign		1,159,143		

(ii) There was no exchange-traded fund – foreign as at 31 July 2024.

11 CASH AND CASH EQUIVALENTS

	<u>2025 RM</u>	<u>2024 RM</u>
Cash and bank balances	22,290	10,577
Deposits with licensed financial institutions	542,491	677,693
	564,781	688,270

Weighted average interest rates per annum of deposits with licensed financial institutions is as follows:

	<u>2025 %</u>	<u>2024 %</u>
Deposits with licensed financial institutions	2.75	3.00

Deposits with licensed financial institutions has an average remaining maturity period of 1 day (2024: 1 day).

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

12 TERM DEPOSITS

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

	<u>2025</u> %	<u>2024</u> %
Deposits with licensed financial institutions	<u>4.17</u>	<u>4.28</u>

Deposits with licensed financial institutions have an average remaining maturity period of 125 days (2024: 105 days). The amount includes interest receivable of RM119,062 (2024: RM82,930).

13 NUMBER OF UNITS IN CIRCULATION

	<u>2025</u> No. of units	<u>2024</u> No. of units
At the beginning of the financial year	52,427,000	41,090,000
Creation of units arising from applications	15,495,233	14,959,343
Creation of units arising from distributions	2,211,417	1,063,364
Cancellation of units	<u>(7,037,650)</u>	<u>(4,685,707)</u>
At the end of the financial year	<u>63,096,000</u>	<u>52,427,000</u>

14 TRANSACTIONS WITH DEALERS/PROVIDER

(a) Details of transaction with dealers/Provider for the financial year ended 31 July 2025 are as follows:

<u>Name of dealers/Provider</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
AHAM Asset Management Berhad#*	13,725,396	88.45
Jane Street Financial Ltd	1,155,669	7.45
MFEX Mutual Funds Exchange AB	593,740	3.83
AIIMAN Asset Management Sdn Bhd#^	42,000	0.27
	<u>15,516,805</u>	<u>100.00</u>

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

14 TRANSACTIONS WITH DEALERS/PROVIDER (CONTINUED)

- (b) Details of transaction with dealers/Provider for the financial year ended 31 July 2024 are as follows:

<u>Name of dealers/Provider</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>
AHAM Asset Management Berhad#*	22,610,182	80.39
Affin Hwang Investment Bank Berhad	3,536,370	12.57
AIIMAN Asset Management Sdn Bhd#^	1,980,000	7.04
	<u>28,126,552</u>	<u>100.00</u>

Included in transactions with the Provider are trades conducted with AHAM Asset Management Berhad, the Provider, and AIIMAN Asset Management Sdn Bhd, the wholly-owned subsidiary of the Provider amounting to RM13,725,396 and RM42,000 (2024: RM22,610,182 and RM 1,980,000). The Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

* AHAM Asset Management Berhad, the Provider of the Fund, is the Manager of AHAM Aiiman ESG Income Plus Fund, AHAM Aiiman Growth Fund, AHAM Bond Fund, AHAM Select Asia (ex Japan) Opportunity Fund, AHAM Select Bond Fund, AHAM Select Opportunity Fund and AHAM Income Extra Fund, the CIS that the Fund invested in during the financial year ended 31 July 2025.

^ AIIMAN Asset Management Sdn Bhd, a wholly-owned subsidiary of the Provider, is the Manager of AIIMAN Global Equity Fund, one of the CIS that the Fund invested in during the financial year ended 31 July 2025.

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

15 UNITS HELD BY THE PROVIDER AND PARTIES RELATED TO THE PROVIDER

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Provider
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Provider
Starlight TopCo Limited	Penultimate holding company of the Provider
Starlight Universe Limited	Intermediate holding company of the Provider
Starlight Asset Sdn Bhd	Immediate holding company of the Provider
Amova Asset Management Co., Ltd. (formerly known as Nikko Asset Management Co., Ltd.)*	Substantial shareholder of the Provider
AHAM Asset Management Berhad	The Provider
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 Provider
Directors of AHAM Asset Management Berhad	Directors of the Provider

* *Nikko Asset Management Co., Ltd has changed its name to Amova Asset Management Co., Ltd. effective 1 September 2025.*

The units held by the Provider as at the end of the financial year are as follows:

	<u>2025</u>		<u>2024</u>	
	No. of units	RM	No. of units	RM
<u>The Provider:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purpose)	2,534	1,522	3,106	1,887

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

AHAM PRS CONSERVATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONTINUED)

16 TOTAL EXPENSE RATIO ("TER")

	<u>2025</u> %	<u>2024</u> %
TER	<u>1.46</u>	<u>1.45</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM34,287,233 (2024: RM28,750,701).

17 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2025</u>	<u>2024</u>
PTR (times)	<u>0.24</u>	<u>0.50</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM10,745,270 (2024: RM18,309,973)
total disposal for the financial year = RM5,839,696 (2024: RM10,430,970)

AHAM PRS CONSERVATIVE FUND

STATEMENT BY THE PROVIDER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Provider, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Provider, the financial statements set out on pages 1 to 34 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 July 2025 and of its financial performance, changes in equity and cash flows for the financial year ended 31 July 2025 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Provider,
AHAM ASSET MANAGEMENT BERHAD

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
23 September 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHAM PRS CONSERVATIVE FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM PRS Conservative Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 July 2025, 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 July 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 34.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHAM PRS CONSERVATIVE FUND (CONTINUED)

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

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

Responsibilities of the Provider for the financial statements

The Provider 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 Provider is also responsible for such internal control as the Provider 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 Provider 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 Provider 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.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AHAM PRS CONSERVATIVE FUND (CONTINUED)

- (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 Provider.
- (d) Conclude on the appropriateness of the Provider'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 Provider 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 MEMBERS OF AHAM PRS CONSERVATIVE FUND (CONTINUED)

OTHER MATTERS

This report is made solely to the members 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
23 September 2025

DIRECTORY OF SALES OFFICE

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