

Annual Report for

# AmBalanced

31 July 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
Ng Chih Kaye  
Jas Bir Kaur A/P Lol Singh  
Arnold Lim Boon Lay  
Goh Wee Peng

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

HSBC (Malaysia) Trustee Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of AmBalanced ("Fund") for the financial year ended 31 July 2024.

### Salient Information of the Fund

<b>Name</b>	AmBalanced ("Fund")
<b>Category/ Type</b>	Balanced / Growth
<b>Objective</b>	<p>AmBalanced aims to grow the value of investments in the long-term with lower volatility through asset diversification.</p> <p><i>Note:</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	The Fund was established on 16 September 2003 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
<b>Performance Benchmark</b>	<p>50% Medium MGS Index by Quantshop ("MMGS") 50% FTSE Bursa Malaysia Top100 Index ("FBM Top100") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The composite benchmark index is a reflection of the Fund's average asset allocation over the medium to long-term. For the equities portion of the Fund the performance benchmark will be FTSE Bursa Malaysia Top 100 Index and for the fixed income portion it will be the Quantshop Medium MGS Index. The benchmark is for performance comparison only. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>Source: FTSE International Limited ("FTSE") © FTSE 2024. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "BURSA MALAYSIA" is a trade mark of Bursa Malaysia Berhad ("BURSA MALAYSIA"). All intellectual property rights in the index values and constituent list vests in FTSE and BURSA MALAYSIA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.</i></p>
<b>Income Distribution Policy</b>	Income distribution (if any) is incidental.

## Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 July are as follows:		
	As at 31 July		
	2024 %	2023 %	2022 %
Consumer discretionary	2.41	5.74	5.70
Consumer staples	4.60	3.93	5.24
Energy	1.06	0.42	-
Financials	12.56	11.01	7.17
Health care	7.14	3.33	1.57
Industrials	7.29	7.05	4.90
Information technology	5.02	5.60	8.21
Materials	2.52	2.95	2.19
Real estate/REITs	1.56	0.98	2.20
Telecommunication services	5.67	1.28	2.66
Utilities	7.14	3.21	1.75
Corporate bonds	21.04	31.11	15.08
Local collective investment schemes	-	5.70	11.19
Malaysian Government Securities	12.01	11.17	20.11
Money market deposits and cash equivalents	9.98	6.52	12.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>		
Performance Details	Performance details of the Fund for the financial years ended 31 July are as follows:		
	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)	2,522,812	2,691,121	3,003,146
Units in circulation	1,723,439	2,039,663	2,362,032
Net asset value per unit (RM)	1.4638	1.3194	1.2714
Highest net asset value per unit (RM)	1.4862	1.3282	1.4603
Lowest net asset value per unit (RM)	1.3059	1.2194	1.2405
Benchmark performance (%)	10.34	2.66	-1.64
Total return (%) <sup>(1)</sup>	10.94	3.78	-9.70
- Capital growth (%)	10.94	3.78	-11.10
- Income distribution (%)	-	-	1.40
Gross distribution (sen per unit)	-	-	2.00
Net distribution (sen per unit)	-	-	2.00
Total expense ratio (%) <sup>(2)</sup>	2.43	2.11	2.03
Portfolio turnover ratio (times) <sup>(3)</sup>	1.44	0.81	0.79
	<i>Note:</i>		
	<i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.</i>		
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER increased by 0.32% as compared to 2.11% per annum for the financial year ended 31 July 2023 mainly due to increase in expenses.</i>		

(3) Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2024 and 2023 were due mainly to investing activities.

**Average Total Return (as at 31 July 2024)**

	AmBalanced <sup>(a)</sup> %	50% FBM Top100 & 50% MMGS <sup>(b)</sup> %
One year	10.94	10.34
Three years	1.30	3.67
Five years	4.08	2.60
Ten years	3.11	1.89

**Annual Total Return**

Financial Years Ended (31 July)	AmBalanced <sup>(a)</sup> %	50% FBM Top100 & 50% MMGS <sup>(b)</sup> %
2024	10.94	10.34
2023	3.78	2.66
2022	-9.70	-1.64
2021	3.32	-2.15
2020	13.71	4.30

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) 50% FTSE Bursa Malaysia Top100 Index (“FBM Top100”) and 50% Medium MGS Index by Quantshop (“MMGS”) (Available at [www.aminvest.com](http://www.aminvest.com))

The Fund performance is calculated based on the net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

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

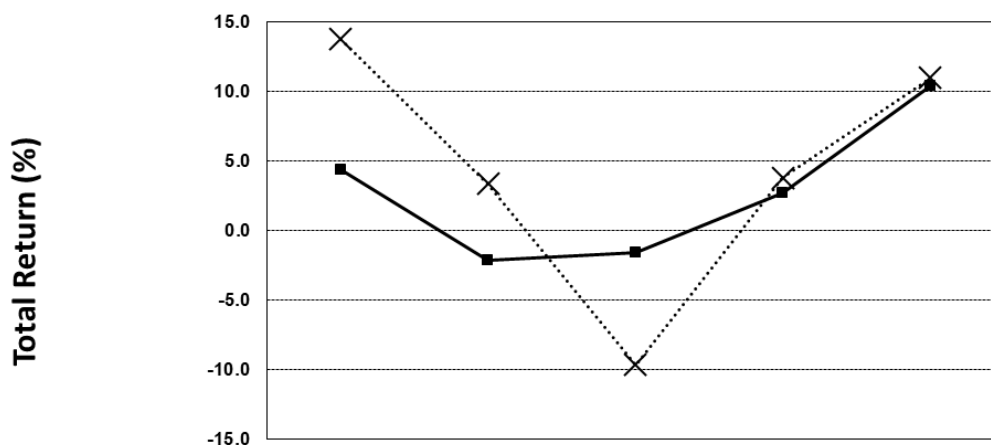
**Fund Performance**

For the financial year under review, the Fund registered a return of 10.94% which is entirely capital growth in nature.

Thus, the Fund’s return of 10.94% has outperformed the benchmark’s return of 10.34% by 0.60%.

As compared with the financial year ended 31 July 2023, the net asset value (“NAV”) per unit of the Fund increased by 10.94% from RM1.3194 to RM1.4638 while units in circulation have decreased by 15.50% from 2,039,663 units to 1,723,439 units.

The following line chart shows comparison between the annual performances of AmBalanced and its benchmark, 50% FBM Top100 and 50% MMGS, for the financial years ended 31 July.



	2020	2021	2022	2023	2024
...x... Fund	13.71	3.32	-9.70	3.78	10.94
—■— Benchmark	4.30	-2.15	-1.64	2.66	10.34

Financial Years Ended (31 July)

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

### Strategies and Policies Employed

For the financial year under review, the Fund invested generally according to a balanced mix between equities and fixed income with a tactical asset allocation exposure range between 30% and 70%.

#### Equity

The Fund invested up to a maximum 70% of its net asset value (NAV) in equities. Value-add from equity investments is derived from active stock selection with focus on undervalued stock relative to its earnings growth potential and/or its intrinsic value. In the event that outlook for equity investments is not conducive, the Fund can choose to have a maximum exposure of 30% in equity securities.

#### Fixed Income

The Fund invested up to a maximum 70% of its NAV in fixed income instruments. In buying and selling fixed income instruments for the Fund, the Manager uses active tactical duration management, yield curve positioning and credit spread arbitraging. This approach also involves an analysis of general economic and market conditions. It also involves the use of models that analyze and compare expected returns and assumed risk. Under this approach, the Manager will focus on fixed income instruments that would deliver favourable return in light of the risk. The Manager also considers obligations with a more favourable or improving credit or industry outlook that provide the potential for capital appreciation. The investment management team may adopt an active trading stance, and will not consider portfolio turnover as a limiting factor in ensuring that the Fund meets its investment objective.

<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 July 2024 and 31 July 2023.</p> <table border="1" data-bbox="352 219 1455 913"> <thead> <tr> <th></th> <th>As at 31.07.2024 %</th> <th>As at 31.07.2023 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr><td>Consumer discretionary</td><td>2.41</td><td>5.74</td><td>-3.33</td></tr> <tr><td>Consumer staples</td><td>4.60</td><td>3.93</td><td>0.67</td></tr> <tr><td>Energy</td><td>1.06</td><td>0.42</td><td>0.64</td></tr> <tr><td>Financials</td><td>12.56</td><td>11.01</td><td>1.55</td></tr> <tr><td>Health care</td><td>7.14</td><td>3.33</td><td>3.81</td></tr> <tr><td>Industrials</td><td>7.29</td><td>7.05</td><td>0.24</td></tr> <tr><td>Information technology</td><td>5.02</td><td>5.60</td><td>-0.58</td></tr> <tr><td>Materials</td><td>2.52</td><td>2.95</td><td>-0.43</td></tr> <tr><td>Real estate/REITs</td><td>1.56</td><td>0.98</td><td>0.58</td></tr> <tr><td>Telecommunication services</td><td>5.67</td><td>1.28</td><td>4.39</td></tr> <tr><td>Utilities</td><td>7.14</td><td>3.21</td><td>3.93</td></tr> <tr><td>Corporate bonds</td><td>21.04</td><td>31.11</td><td>-10.07</td></tr> <tr><td>Local collective investment schemes</td><td>-</td><td>5.70</td><td>-5.70</td></tr> <tr><td>Malaysian Government Securities</td><td>12.01</td><td>11.17</td><td>0.84</td></tr> <tr><td>Money market deposits and cash equivalents</td><td>9.98</td><td>6.52</td><td>3.46</td></tr> <tr><td><b>Total</b></td><td><b>100.00</b></td><td><b>100.00</b></td><td></td></tr> </tbody> </table> <p>For the financial year under review, the Fund reduced investment in Corporate bonds, and local collective investment schemes and re-deployed capital into Telecommunication services, Healthcare as well as Utilities.</p>		As at 31.07.2024 %	As at 31.07.2023 %	Changes %	Consumer discretionary	2.41	5.74	-3.33	Consumer staples	4.60	3.93	0.67	Energy	1.06	0.42	0.64	Financials	12.56	11.01	1.55	Health care	7.14	3.33	3.81	Industrials	7.29	7.05	0.24	Information technology	5.02	5.60	-0.58	Materials	2.52	2.95	-0.43	Real estate/REITs	1.56	0.98	0.58	Telecommunication services	5.67	1.28	4.39	Utilities	7.14	3.21	3.93	Corporate bonds	21.04	31.11	-10.07	Local collective investment schemes	-	5.70	-5.70	Malaysian Government Securities	12.01	11.17	0.84	Money market deposits and cash equivalents	9.98	6.52	3.46	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
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<b>Securities Lending / Repurchase Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).																																																																				
<b>Cross Trades</b>	There were no cross trades undertaken during the financial year under review.																																																																				
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial year under review.																																																																				
<b>State of Affairs</b>	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.																																																																				
<b>Rebates and Soft Commission</b>	<p>During the year, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund’s benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.</p> <p>The company has soft commission arrangement with a total of 11 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund’s benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p>																																																																				



	Soft commissions received were for the benefit of the Fund and there was no churning of trades.
<b>Market Review</b>	<p>In the 3Q2023, the new government policies (NETR) and reviews of previous ones (12MP) were cause for much of the excitement in Malaysia. The first phase of National Energy Transition Roadmap will bring investments worth RM25billion and benefit utilities players across the entire value chain, accelerate battery storage adoption and set up a carbon capture storage framework. A key highlight was 10 flagship projects, including the establishment of a RE Zone that translates to 4GW of new Renewable Energy. While much of the focus for the quarter was on the ‘new economy’ appeal, the mid-term review (MTR) of the 12th Malaysia Plan (12MP, 2021-2025), was unveiled, remaining supportive of the sector’s prospects, especially for connectivity plays where the pace is speeding up. 10 specific logistics projects were outlined. Combined with other Capex mentioned, estimates are for the pipeline to total RM95billion (excluding MRT3 and high-speed rail)), including private funded projects. While MRT3 was conspicuously missing in the MTR, the transport minister earlier noting the MRT historically relied on off-budget funding. Likewise, the High-Speed Rail revival will remain off balance sheet for now as a private endeavour.</p> <p>In 4Q2023, Malaysia’s domestic thematic continues to remain strong, leading the market in gains. It was evident that State-driven themes led the excitement, with the rhetoric remaining intact for 2024. Alongside new government policies (National Energy Transformation Roadmap, New Industrial Master Plan), the mega infrastructure projects have returned with gusto. In 4Q alone, progress has been made in terms of planning for the High-Speed Rail, MRT3, LRT3, Penang LRT. Meanwhile the States of Johor and Sarawak have also proposed their own State rails. More details are expected to be unveiled for the Johor Special Economic Zone early January, catalytic for infrastructure and property plays. Utilities remain a focus with the upcoming renewable shift alongside data center demand. Meanwhile, Malaysia’s water sector will see reforms in terms of water tariff revisions, with Penang already announcing adjustments, coupled with the governments focus on fixing non-revenue water leakages.</p> <p>In 1Q2024, Malaysia saw the continued exuberance in pre-existing tactics, though there seemed to be increasing favour in the data center space, following increasing data center construction awards in Malaysia. The Ringgit also took center stage in 1Q2024, hitting 26-year lows. The emphasis on the Malaysian Ringgit (MYR) was evident in Bank Negara Malaysia’s (BNM) Annual message, which focused more on the currency than on the economy. BNM highlighted that the tech upcycle and tourism recovery will be key drivers of economic growth in 2024 with quicker implementation of new and existing investments. External factors such as trade, geopolitical issues and commodities pose downside risks.</p> <p>In 2Q2024, the market movers across sectors – utilities, construction, property, and tech – have been beneficiaries of AI and data centres. Bytedance, Google, and Microsoft have each committed near RM10b respectively into data centre investments into Malaysia. While Amazon has not committed a sum, the tech giant has also marked Malaysia as a new AWS region. Meanwhile the National Energy Transition Roadmap (NETR) and introduction of Regulatory Period 4 (RP4) remain key lookouts for utility players in Malaysia, as data centres drive the need for power and the infrastructure to transmit it. Elsewhere, the Singapore-Malaysia inter-government relationship remains a key lookout ahead of the Malaysia - Singapore (MY-SG) Leaders Retreat in September, where the Johor-Singapore Economic Zones will be discusses in further details. New Singapore Prime Minister (PM) Lawrence Wong has also indicated that the island republic is interested in furthering discussions of the High-Speed Rail between both nations alongside other ‘win-win’ projects.</p>

	<p>In July 2024, Prime Minister (PM) Anwar stated that there is no policy paper yet on the implementation of subsidy cuts for RON95. The lower house of Parliament gave its green light to five amendment bills, paving the way for Pulau 1, Forest City, in Iskandar Puteri, Johor, to become a duty-free zone, joining the ranks of Labuan, Langkawi, Tioman, and Pangkor.</p>
<b>Market Outlook</b>	<p>Foreign inflows continued from July and surged to RM2.55 billion in August 2024, marking the highest Year To Date (YTD) foreign inflow. The net buy momentum gained strength from the middle of August alongside the Ringgit strengthening on expectation of United States (US) Federal Reserve (Fed) easing.</p> <p>The recent reporting season for 2Q2024 earnings was encouraging and helped reinforce expectations that earnings are on the rise. More sectors actually beat expectations while the technology, property and basic materials sector missed expectations. Meanwhile, broad guidance post results briefing have been relatively prudent. In the near term, as the US interest rate cuts loom closer, the market may be volatile on Ringgit swings. We would take this opportunity to lock in some gains, rebalance the portfolio and may look to add onto sectors that are beneficiaries of the government initiatives on price weakness.</p>
<b>Additional Information</b>	<p>The following information was updated:</p> <p>The Eleventh Supplementary Master Prospectus dated 1 March 2024 has been registered with the Securities Commission Malaysia. Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 was published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the unit holders on 13 March 2024.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 September 2024

## **Independent auditors' report to the unit holders of AmBalanced**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of AmBalanced (the "Fund"), which comprise the statement of financial position as at 31 July 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 44.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *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 audit 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 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 (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, 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 unit holders of AmBalanced (cont'd.)**

### *Information other than the financial statements and auditors' report thereon (cont'd.)*

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 the fact. We have nothing to report in this regard.

### *Responsibilities of the Manager and the Trustee for the financial statements*

The Manager 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 cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### *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 AmBalanced (cont'd.)**

*Auditors' responsibilities for the audit of the financial statements (cont'd.)*

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

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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.
- 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  
AmBalanced (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Ng Sue Ean  
No. 03276/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
18 September 2024

AmBalanced

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2024**

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Investments	4	2,270,970	2,515,428
Dividend receivables		301	200
Amount due from brokers	5	66,188	16,648
Deposit with licensed financial institution	6	156,013	166,014
Cash at bank		43,992	10,253
<b>TOTAL ASSETS</b>		<u>2,537,464</u>	<u>2,708,543</u>
<b>LIABILITIES</b>			
Amount due to Manager	7	3,828	6,147
Amount due to Trustee	8	113	113
Sundry payables and accruals		10,711	11,162
<b>TOTAL LIABILITIES</b>		<u>14,652</u>	<u>17,422</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>2,522,812</u>	<u>2,691,121</u>
<b>EQUITY</b>			
Unit holders' capital	10(a)	(3,656,157)	(3,215,698)
Retained earnings	10(b)(c)	6,178,969	5,906,819
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<u>2,522,812</u>	<u>2,691,121</u>
<b>UNITS IN CIRCULATION</b>	10(a)	<u>1,723,439</u>	<u>2,039,663</u>
<b>NAV PER UNIT (RM)</b>		<u>1.4638</u>	<u>1.3194</u>

*The accompanying notes form an integral part of the financial statements.*

**AmBalanced**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Dividend/Distribution income		36,234	42,653
Interest income		49,130	53,394
Net gains from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	<u>277,223</u>	<u>74,319</u>
		<u>362,587</u>	<u>170,366</u>
<b>EXPENDITURE</b>			
Manager’s fee	7	(36,449)	(38,391)
Trustee’s fee	8	(1,292)	(1,368)
Audit fee		(5,500)	(5,500)
Tax agent’s fee		(5,000)	(5,000)
Brokerage and other transaction fees		(27,623)	(15,629)
Other expenses		<u>(14,552)</u>	<u>(7,466)</u>
		<u>(90,416)</u>	<u>(73,354)</u>
<b>Net income before taxation</b>		272,171	97,012
<b>Taxation</b>	12	<u>(21)</u>	<u>(88)</u>
<b>Net income after taxation, representing total comprehensive income for the financial year</b>		<u>272,150</u>	<u>96,924</u>
Total comprehensive income comprises the following:			
Realised income/(loss)		200,998	(40,170)
Unrealised gains		<u>71,152</u>	<u>137,094</u>
		<u>272,150</u>	<u>96,924</u>

*The accompanying notes form an integral part of the financial statements.*



**AmBalanced****STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	<b>Note</b>	<b>Unit holders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
At 1 August 2023		(3,215,698)	5,906,819	2,691,121
Total comprehensive income for the financial year		-	272,150	272,150
Creation of units	10(a)	848,263	-	848,263
Cancellation of units	10(a)	(1,288,722)	-	(1,288,722)
Balance at 31 July 2024		<u>(3,656,157)</u>	<u>6,178,969</u>	<u>2,522,812</u>
At 1 August 2022		(2,806,749)	5,809,895	3,003,146
Total comprehensive income for the financial year		-	96,924	96,924
Creation of units	10(a)	186,727	-	186,727
Cancellation of units	10(a)	(595,676)	-	(595,676)
Balance at 31 July 2023		<u>(3,215,698)</u>	<u>5,906,819</u>	<u>2,691,121</u>

*The accompanying notes form an integral part of the financial statements.*

AmBalanced

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		3,931,781	2,308,850
Purchases of investments		(3,466,083)	(2,101,230)
Dividend/Distribution received		36,112	43,485
Interest received		55,573	55,499
Manager's fee paid		(36,119)	(38,185)
Trustee's fee paid		(1,292)	(1,369)
Tax agent's fee paid		(5,000)	(5,000)
Payments for other expenses		<u>(48,126)</u>	<u>(29,195)</u>
Net cash generated from operating and investing activities		<u>466,846</u>	<u>232,855</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		848,263	211,929
Payments for cancellation of units		<u>(1,291,371)</u>	<u>(593,027)</u>
Net cash used in financing activities		<u>(443,108)</u>	<u>(381,098)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		23,738	(148,243)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		<u>176,267</u>	<u>324,510</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
		<u>200,005</u>	<u>176,267</u>
Cash and cash equivalents comprise:			
Deposit with licensed financial institution	6	156,013	166,014
Cash at bank		<u>43,992</u>	<u>10,253</u>
		<u>200,005</u>	<u>176,267</u>

*The accompanying notes form an integral part of the financial statements.*

## AmBalanced

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

#### 1. GENERAL INFORMATION

AmBalanced (the “Fund”) was established pursuant to a Deed dated 11 September 2003 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of growing the value of investments in longer term with lower volatility through asset diversification. As provided in the Deeds, the financial year shall end on 31 July and the units in the Fund were first offered for sale on 16 September 2003.

The financial statements were authorised for issue by the Manager on 18 September 2024.

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

##### Standards effective during the financial year

The adoption of the following MFRS and amendments to MFRS which became effective during the financial year did not have any material financial impact to the financial statements.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D.)**

Standards issued but not yet effective

The new and amended standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

**3. SUMMARY OF ACCOUNTING POLICIES**

**3.1 Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Dividend/Distribution income

Dividend/Distribution income is recognised when the Fund's right to receive payment is established.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.1 Income recognition (cont'd.)**

(ii) Interest income

For all interest-bearing financial assets, interest income is calculated using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(iii) Gain or loss on disposal of investments

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in profit or loss.

**3.2 Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**3.3 Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.4 Statement of cash flows**

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

**3.5 Distribution**

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from dividend/distribution income, interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**3.6 Unit holders' capital**

The unit holders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments as it meets all criteria for such classification under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

**3.7 Financial instruments – initial recognition and measurement**

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial assets. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.7 Financial instruments – initial recognition and measurement (cont'd.)**

(iii) “Day 1” profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a “Day 1” profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**3.8 Financial assets**

Classification and measurement

The classification of financial assets depends on the Fund’s business model of managing the financial assets in order to generate cash flows (“business model test”) and the contractual cash flow characteristics of the financial instruments (“SPPI test”). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

*Business model*

The business model reflects how the Fund manages the financial assets in order to generate cash flows. That is, whether the Fund’s objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of “other” business model. Factors considered by the Fund in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.8 Financial assets (cont'd.)**

*Cash flow characteristics*

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Fund assesses whether the financial assets' contractual cash flows represent solely payment of principal and interest ("SPPI"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Fund may classify its financial assets under the following categories:

*Financial assets at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

*Financial assets at FVOCI*

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

*Financial assets at FVTPL*

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Dividend/Distribution income and interest earned elements of such instruments are recorded separately in "Dividend/Distribution income" and "Interest income" respectively.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.8 Financial assets (cont'd.)**

Classification and measurement (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

*Financial assets at FVTPL (cont'd.)*

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

The Fund subsequently measures its investments in equity investments and collective investment schemes ("CIS") at FVTPL. Dividend/Distribution earned whilst holding the investments are recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

**3.9 Financial liabilities – classification and subsequent measurement**

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**3.10 Derecognition of financial instruments**

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Fund has transferred substantially all the risks and rewards of the asset, or
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.10 Derecognition of financial instruments (cont'd.)**

(i) Derecognition of financial asset (cont'd.)

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

**3.11 Financial instruments – expected credit losses (“ECL”)**

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

**3.12 Determination of fair value**

For investments in local quoted securities, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. For investments in CIS, fair value is determined based on the closing NAV per unit of the CIS. Purchased cost is the quoted price that the Fund paid when buying its investments. For investments in local fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd. plus accrued interest, which includes the accretion of discount and amortisation of premium. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between purchased/adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**3.13 Classification of realised and unrealised gains and losses**

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

**3.14 Significant accounting estimates and judgments**

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investments as financial assets at FVTPL as the Fund may sell its investments in the short-term for profit-taking or to meet unit holders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4. INVESTMENTS**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
Quoted equity securities	1,437,221	1,209,382
Quoted CIS	-	14,940
Unquoted CIS	-	153,314
Unquoted fixed income securities	833,749	1,137,792
	<u>2,270,970</u>	<u>2,515,428</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 31 July 2024 are as follows:

<b>Name of company</b>	<b>Number of shares</b>	<b>Fair value RM</b>	<b>Purchased cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Quoted equity securities</b>				
<b>Consumer discretionary</b>				
Genting Malaysia Berhad	8,000	20,800	21,872	0.83
Mr D.I.Y. Group (M) Berhad	19,000	39,900	36,385	1.58
	<u>27,000</u>	<u>60,700</u>	<u>58,257</u>	<u>2.41</u>
<b>Consumer staples</b>				
Guan Chong Berhad	16,000	61,280	61,647	2.43
SD Guthrie Berhad	6,000	26,820	25,808	1.06
TA Ann Holdings Berhad	7,000	28,070	27,917	1.11
	<u>29,000</u>	<u>116,170</u>	<u>115,372</u>	<u>4.60</u>
<b>Energy</b>				
Bumi Armada Berhad	49,000	26,705	27,930	1.06
<b>Financials</b>				
CIMB Group Holdings Berhad	9,000	66,870	54,863	2.65
Malayan Banking Berhad	9,000	91,980	85,806	3.65
Public Bank Berhad	25,000	105,250	107,681	4.17
RHB Bank Berhad	4,000	22,840	22,001	0.91
Syarikat Takaful Malaysia Keluarga Berhad	8,000	29,840	34,097	1.18
	<u>55,000</u>	<u>316,780</u>	<u>304,448</u>	<u>12.56</u>
<b>Health care</b>				
Focus Point Holdings Berhad	76,000	61,940	62,979	2.45
Hartalega Holdings Berhad	10,000	30,500	29,732	1.21
Kossan Rubber Industries Berhad	15,000	31,800	30,619	1.26
Optimax Holdings Berhad	38,000	27,170	24,415	1.08
Top Glove Corporation Berhad	28,000	28,840	29,643	1.14
	<u>167,000</u>	<u>180,250</u>	<u>177,388</u>	<u>7.14</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 31 July 2024 are as follows: (cont'd.)

<b>Name of company</b>	<b>Number of shares</b>	<b>Fair value RM</b>	<b>Purchased cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Quoted equity securities (cont'd.)</b>				
<b>Industrials</b>				
Frontken Corporation Berhad	5,000	21,500	23,242	0.85
Gamuda Berhad	2,000	15,720	16,020	0.62
Malaysia Airports Holdings Berhad	7,000	71,680	69,942	2.84
Sime Darby Berhad	14,000	36,400	37,530	1.45
Sunway Berhad	9,000	38,610	31,680	1.53
	<u>37,000</u>	<u>183,910</u>	<u>178,414</u>	<u>7.29</u>
<b>Information technology</b>				
Cape EMS Berhad	60,000	41,100	53,246	1.63
Cloudpoint Technology Berhad	32,000	30,080	24,733	1.19
Genetec Technology Berhad	12,000	25,800	27,240	1.02
Greotech Technology Berhad	5,600	29,736	33,797	1.18
	<u>109,600</u>	<u>126,716</u>	<u>139,016</u>	<u>5.02</u>
<b>Materials</b>				
Ancom Nylex Berhad	26,000	27,040	27,820	1.07
Jaya Tiasa Holdings Berhad	33,000	36,630	42,350	1.45
	<u>59,000</u>	<u>63,670</u>	<u>70,170</u>	<u>2.52</u>
<b>Real estate</b>				
IOI Properties Group Berhad	16,000	34,080	37,760	1.35
Well Chip Group Berhad	3,000	5,220	3,450	0.21
	<u>19,000</u>	<u>39,300</u>	<u>41,210</u>	<u>1.56</u>
<b>Telecommunication services</b>				
Celcomdigi Berhad	7,000	26,600	29,908	1.06
OCK Group Berhad	62,000	39,680	36,780	1.57
Telekom Malaysia Berhad	11,000	76,670	71,493	3.04
	<u>80,000</u>	<u>142,950</u>	<u>138,181</u>	<u>5.67</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 31 July 2024 are as follows: (cont'd.)

<b>Name of company</b>	<b>Number of shares</b>	<b>Fair value RM</b>	<b>Purchased cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Quoted equity securities (cont'd.)</b>				
<b>Utilities</b>				
Tenaga Nasional Berhad	6,000	84,480	86,840	3.35
YTL Corporation Berhad	13,000	44,330	46,688	1.76
YTL Power International Berhad	11,000	51,260	54,612	2.03
	<u>30,000</u>	<u>180,070</u>	<u>188,140</u>	<u>7.14</u>
<b>Total quoted equities securities</b>	<u>661,600</u>	<u>1,437,221</u>	<u>1,438,526</u>	<u>56.97</u>

<b>Maturity date</b>	<b>Issuer</b>	<b>Credit rating</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Unquoted fixed income securities</b>						
<b>Corporate bonds</b>						
19.09.2025	UEM Sunrise Berhad	AA	200,000	204,093	203,112	8.09
28.05.2027	Exsim Capital Resources Berhad	AA	50,000	51,084	50,612	2.02
29.10.2027	ECO World Capital Berhad	AA	100,000	106,908	101,450	4.24
06.10.2038	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	100,000	110,754	102,565	4.39
30.06.2042	Tenaga Nasional Berhad	AAA	50,000	58,020	50,250	2.30
	<b>Total corporate bonds</b>		<u>500,000</u>	<u>530,859</u>	<u>507,989</u>	<u>21.04</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**4. INVESTMENTS (CONT'D.)**

Details of investments as at 31 July 2024 are as follows: (cont'd.)

<b>Maturity date</b>	<b>Issuer</b>	<b>Credit rating</b>	<b>Nominal value RM</b>	<b>Fair value RM</b>	<b>Adjusted cost RM</b>	<b>Fair value as a percentage of NAV %</b>
<b>Unquoted fixed income securities (cont'd.)</b>						
<b>Malaysian Government Securities</b>						
31.05.2027	Government of Malaysia	NR*	300,000	302,890	308,036	12.01
<b>Total Malaysian Government Securities</b>			<b>300,000</b>	<b>302,890</b>	<b>308,036</b>	<b>12.01</b>
<b>Total unquoted fixed income securities</b>			<b>800,000</b>	<b>833,749</b>	<b>816,025</b>	<b>33.05</b>
<b>Total financial assets at FVTPL</b>				<b>2,270,970</b>	<b>2,254,551</b>	<b>90.02</b>
<b>Excess of fair value over purchased/adjusted cost</b>				<b>16,419</b>		

\* Non-rated

The weighted average effective yield on investments are as follows:

	<b>Effective yield</b>	
	<b>2024 %</b>	<b>2023 %</b>
Corporate bonds	4.16	4.78
Malaysian Government Securities	3.36	3.60

Analysis of the remaining maturities of investments as at 31 July 2024 and 31 July 2023 are as follows:

	<b>1 year to 5 years RM</b>	<b>More than 5 years RM</b>
<b>2024</b>		
At nominal value:		
Corporate bonds	350,000	150,000
Malaysian Government Securities	300,000	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**4. INVESTMENTS (CONT'D.)**

Analysis of the remaining maturities of investments as at 31 July 2024 and 31 July 2023 are as follows: (cont'd.)

	<b>1 year to 5 years RM</b>	<b>More than 5 years RM</b>
<b>2023</b>		
At nominal value:		
Corporate bonds	300,000	500,000
Malaysian Government Securities	300,000	-
	<u>300,000</u>	<u>-</u>

**5. AMOUNT DUE FROM BROKERS**

Amount due from brokers arose from the sale of investments. The settlement period is within three business days from the transaction date.

**6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION**

	<b>2024 RM</b>	<b>2023 RM</b>
At nominal value:		
Short-term deposit	<u>156,000</u>	<u>166,000</u>
At carrying value:		
Short-term deposit	<u>156,013</u>	<u>166,014</u>

Details of deposit with licensed financial institution are as follows:

<b>Maturity date</b>	<b>Financial institution</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>2024</b>				
<b>Short-term deposit</b>				
01.08.2024	Public Bank Berhad	<u>156,000</u>	<u>156,013</u>	<u>6.18</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**6. DEPOSIT WITH LICENSED FINANCIAL INSTITUTION (CONT'D.)**

The weighted average effective interest rate and weighted average remaining maturities of short-term deposit are as follows:

	Weighted average effective interest rate		Weighted average remaining maturities	
	2024 %	2023 %	2024 Day	2023 Day
Short-term deposit	3.00	3.00	1	1

**7. AMOUNT DUE TO MANAGER**

	Note	2024 RM	2023 RM
<b>Due to Manager</b>			
Cancellation of units	(i)	-	2,649
Manager's fee payable	(ii)	3,828	3,498
		<u>3,828</u>	<u>6,147</u>

- (i) This represents amount payable to the Manager for units cancelled.

The normal credit period in the previous and current financial years for creation of units is three business days.

- (ii) Manager's fee is at a rate of 1.50% (2023: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis. As the Fund invested in the CIS, the Manager's fee related to the CIS has been charged by the Manager.

According to Securities Commission Malaysia's Guidelines on Unit Trust Funds, Manager's fee can only be charged once and hence no Manager's fee can be charged on the NAV of the unquoted CIS of this Fund to avoid double charging of Manager's fee.

The normal credit period in the previous and current financial years for Manager's fee payable is one month.

**8. AMOUNT DUE TO TRUSTEE**

Trustee's fee is at a rate of 0.05% (2023: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the previous and current financial years for Trustee's fee payable is one month.

## AmBalanced

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

#### 9. NET GAINS FROM INVESTMENTS

	2024 RM	2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investments	206,071	(62,775)
– Net unrealised gains on changes in fair value of investments	71,152	137,094
	<u>277,223</u>	<u>74,319</u>

#### 10. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	(3,656,157)	(3,215,698)
Retained earnings			
– Realised income	(b)	6,162,550	5,961,552
– Unrealised gain/(loss)	(c)	16,419	(54,733)
		<u>2,522,812</u>	<u>2,691,121</u>

##### (a) Unit holders' capital/units in circulation

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	2,039,663	(3,215,698)	2,362,032	(2,806,749)
Creation during the financial year	612,757	848,263	144,357	186,727
Cancellation during the financial year	(928,981)	(1,288,722)	(466,726)	(595,676)
At end of the financial year	<u>1,723,439</u>	<u>(3,656,157)</u>	<u>2,039,663</u>	<u>(3,215,698)</u>

The negative balances of unit holders' capital is due to the cancellation of units at a higher NAV per unit following the price appreciation of the Fund as compared to the units being created at a lower NAV per unit in prior years.

## AmBalanced

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

#### 10. TOTAL EQUITY (CONT'D.)

##### (b) Realised – distributable

	2024 RM	2023 RM
At beginning of the financial year	5,961,552	6,001,722
Net realised income/(loss) for the financial year	200,998	(40,170)
At end of the financial year	<u>6,162,550</u>	<u>5,961,552</u>

##### (c) Unrealised – non-distributable

	2024 RM	2023 RM
At beginning of the financial year	(54,733)	(191,827)
Net unrealised gains for the financial year	71,152	137,094
At end of the financial year	<u>16,419</u>	<u>(54,733)</u>

#### 11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

##### Related parties

AmFunds Management Berhad  
AmInvestment Bank Berhad  
AMMB Holdings Berhad ("AMMB")  
Subsidiaries and associates of AMMB  
as disclosed in its financial statements

##### Relationships

The Manager  
Holding company of the Manager  
Ultimate holding company of the Manager  
Subsidiaries and associate companies of  
the ultimate holding company of the  
Manager

There are no units held by the Manager or any other related party as at 31 July 2024 and 31 July 2023.

#### 12. TAXATION

	2024 RM	2023 RM
Local tax	<u>21</u>	<u>88</u>

Income tax payable is calculated on investments income less deduction for permitted expenses as provided under Section 63B of the Income Tax Act, 1967.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**12. TAXATION (CONT'D.)**

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net income before taxation	<u>272,171</u>	<u>97,012</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	65,321	23,283
Tax effects of:		
Income not subject to tax	(89,793)	(55,866)
Losses not allowed for tax deduction	2,793	15,066
Restriction on tax deductible expenses for unit trust fund	9,061	9,481
Non-permitted expenses for tax purposes	11,632	7,071
Permitted expenses not used and not available for future financial years	<u>1,007</u>	<u>1,053</u>
Tax expense for the financial years	<u>21</u>	<u>88</u>

**13. TOTAL EXPENSE RATIO (“TER”)**

The Fund’s TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	1.41	1.40
Trustee’s fee	0.05	0.05
Fund’s other expenses	<u>0.97</u>	<u>0.66</u>
Total TER	<u>2.43</u>	<u>2.11</u>

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

**14. PORTFOLIO TURNOVER RATIO (“PTR”)**

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 1.44 times (2023: 0.81 times).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**15. SEGMENTAL REPORTING**

The Manager and Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by three segments:

- A portfolio of equity instruments;
- A portfolio of CIS; and
- A portfolio of fixed income instruments, including deposit with licensed financial institution.

The investment objective of each segment is to achieve consistent returns from the investments in each segment while safeguarding capital by investing in diversified portfolios. There have been no changes in reportable segments in the current financial year.

	<b>Equity portfolio RM</b>	<b>CIS portfolio RM</b>	<b>Fixed income portfolio RM</b>	<b>Total RM</b>
<b>2024</b>				
Dividend/Distribution income	36,234	-	-	36,234
Interest income	-	-	49,130	49,130
Net gains from investments:				
- Financial assets at FVTPL	248,427	7,177	21,619	277,223
Total segment investment income for the financial year	<u>284,661</u>	<u>7,177</u>	<u>70,749</u>	<u>362,587</u>
Financial assets at FVTPL	1,437,221	-	833,749	2,270,970
Dividend receivables	301	-	-	301
Amount due from brokers	66,188	-	-	66,188
Deposit with licensed financial institution	-	-	156,013	156,013
Total segment assets	<u>1,503,710</u>	<u>-</u>	<u>989,762</u>	<u>2,493,472</u>
<b>2023</b>				
Dividend/Distribution income	39,017	3,636	-	42,653
Interest income	-	-	53,394	53,394
Net gain from investments:				
- Financial assets at FVTPL	40,158	4,731	29,430	74,319
Total segment investment income for the financial year	<u>79,175</u>	<u>8,367</u>	<u>82,824</u>	<u>170,366</u>
Financial assets at FVTPL	1,209,382	168,254	1,137,792	2,515,428
Dividend receivables	200	-	-	200
Amount due from brokers	16,648	-	-	16,648
Deposit with licensed financial institution	-	-	166,014	166,014
Total segment assets	<u>1,226,230</u>	<u>168,254</u>	<u>1,303,806</u>	<u>2,698,290</u>

There are no segment liabilities as at 31 July 2024 and 31 July 2023.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**15. SEGMENTAL REPORTING (CONT'D.)**

Expenses of the Fund are not considered part of the performance of any investment segment. The following table provides reconciliation between the net reportable segment income and net income after taxation:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net reportable segment investment income	362,587	170,366
Less: Expenses	(90,416)	(73,354)
Net income before taxation	<u>272,171</u>	<u>97,012</u>
Taxation	(21)	(88)
Net income after taxation	<u><u>272,150</u></u>	<u><u>96,924</u></u>

In addition, certain assets and liabilities are not considered to be part of the net assets or liabilities of an individual segment. The following table provides reconciliation between the net reportable segment assets and liabilities and total assets and liabilities of the Fund.

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	2,493,472	2,698,290
Cash at bank	43,992	10,253
Total assets of the Fund	<u><u>2,537,464</u></u>	<u><u>2,708,543</u></u>
Amount due to Manager	3,828	6,147
Amount due to Trustee	113	113
Sundry payables and accruals	10,711	11,162
Total liabilities of the Fund	<u><u>14,652</u></u>	<u><u>17,422</u></u>

**16. TRANSACTIONS WITH THE MANAGER AND BROKERS**

Details of transactions with the Manager and brokers for the financial year ended 31 July 2024 are as follows:

	<b>Transaction value</b>		<b>Brokerage fee, stamp duty and clearing fee</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Public Investment Bank Berhad	2,460,271	33.01	10,256	37.13
AmInvestment Bank Berhad*	1,337,277	17.95	6,163	22.31
RHB Investment Bank Berhad	817,331	10.97	3,667	13.28
Affin Investment Berhad	734,387	9.86	3,212	11.63
AmFunds Management Berhad*	697,904	9.37	-	-
Maybank Investment Bank Berhad	508,404	6.82	2,315	8.38
Hong Leong Investment Bank Berhad	434,666	5.83	674	2.44
Kenanga Futures Sdn. Bhd.	212,278	2.85	817	2.96
Hong Leong Bank Berhad	102,450	1.37	-	-
United Overseas Bank (Malaysia) Bhd.	50,157	0.67	-	-
Other brokers	96,940	1.30	518	1.87
Total	<u><u>7,452,065</u></u>	<u><u>100.00</u></u>	<u><u>27,622</u></u>	<u><u>100.00</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**16. TRANSACTIONS WITH THE MANAGER AND BROKERS (CONT'D.)**

\* Financial institutions related to the Manager.

The Manager is of the opinion that the above transactions have been entered into the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The above transactions are in respect of quoted equity securities, CIS and fixed income instruments. Transactions in unquoted CIS and fixed income instruments do not involve any commission or brokerage fee.

**17. FINANCIAL INSTRUMENTS**

**(a) Classification of financial instruments**

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2024</b>				
<b>Financial assets</b>				
Investments	2,270,970	-	-	2,270,970
Dividend receivables	-	301	-	301
Amount due from brokers	-	66,188	-	66,188
Deposit with licensed financial institution	-	156,013	-	156,013
Cash at bank	-	43,992	-	43,992
<b>Total financial assets</b>	<u>2,270,970</u>	<u>266,494</u>	<u>-</u>	<u>2,537,464</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	3,828	3,828
Amount due to Trustee	-	-	113	113
<b>Total financial liabilities</b>	<u>-</u>	<u>-</u>	<u>3,941</u>	<u>3,941</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**17. FINANCIAL INSTRUMENTS (CONT'D.)**

**(a) Classification of financial instruments (cont'd.)**

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023</b>				
<b>Financial assets</b>				
Investments	2,515,428	-	-	2,515,428
Dividend receivables	-	200	-	200
Amount due from brokers	-	16,648	-	16,648
Deposit with licensed financial institution	-	166,014	-	166,014
Cash at bank	-	10,253	-	10,253
<b>Total financial assets</b>	<b>2,515,428</b>	<b>193,115</b>	<b>-</b>	<b>2,708,543</b>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	6,147	6,147
Amount due to Trustee	-	-	113	113
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,260</b>	<b>6,260</b>
<b>Income, expenses, gains and losses</b>				
<b>2024</b>				
<b>2023</b>				
<b>RM</b>				
<b>RM</b>				
Net gains from financial assets at FVTPL			277,223	74,319
Income, of which derived from:				
– Dividend/Distribution income from financial assets at FVTPL			36,234	42,653
– Interest income from financial assets at FVTPL			42,027	45,566
– Interest income from financial assets at amortised cost			7,103	7,828

**(b) Financial instruments that are carried at fair value**

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**17. FINANCIAL INSTRUMENTS (CONT'D.)**

**(b) Financial instruments that are carried at fair value (cont'd.)**

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Financial assets at FVTPL	1,437,221	833,749	-	2,270,970
<b>2023</b>				
Financial assets at FVTPL	1,224,322	1,291,106	-	2,515,428

**(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Dividend receivables
- Amount due from brokers
- Deposit with licensed financial institution
- Cash at bank
- Amount due to Manager
- Amount due to Trustee

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deeds as the backbone of risk management of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(a) Market risk**

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

**(i) Price risk**

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(71,861)	(61,216)
+5.00%	<u>71,861</u>	<u>61,216</u>

**(ii) Interest rate risk**

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic interest rates on deposits and placements with licensed financial institution are determined based on prevailing market rates.

The result below summarised the interest rate sensitivity of the Fund's NAV, or theoretical value due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2024 RM	2023 RM
+100bps	(31,192)	(57,637)
-100bps	<u>33,895</u>	<u>63,029</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(b) Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund would be exposed to the risk of bond issuers and financial institutions defaulting on its repayment obligations which in turn would affect the NAV of the Fund.

**(i) Credit quality of financial assets**

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 July 2024 and 31 July 2023:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2024</b>			
AAA	58,020	6.96	2.30
AA	472,839	56.71	18.74
NR	302,890	36.33	12.01
	<u>833,749</u>	<u>100.00</u>	<u>33.05</u>
<b>2023</b>			
AAA	322,669	28.36	11.99
AA	514,420	45.21	19.12
NR	300,703	26.43	11.17
	<u>1,137,792</u>	<u>100.00</u>	<u>42.28</u>

For deposit with licensed financial institution, the Fund makes placements with licensed financial institution with sound rating of P1/MARC-1 and above. The following table presents the Fund's portfolio of deposits by rating category as at 31 July 2024 and 31 July 2023:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of deposits</b>	<b>As a % of NAV</b>
<b>2024</b>			
P1/MARC-1	<u>156,013</u>	<u>100.00</u>	<u>6.18</u>
<b>2023</b>			
P1/MARC-1	<u>166,014</u>	<u>100.00</u>	<u>6.17</u>

Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(b) Credit risk (cont'd.)**

**(ii) Credit risk concentration**

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 July 2024 and 31 July 2023:

<b>Sector</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2024</b>			
Energy and utilities	168,774	20.24	6.69
Financial services	51,084	6.13	2.02
Public administration	302,890	36.33	12.01
Real Estate	311,001	37.30	12.33
	<u>833,749</u>	<u>100.00</u>	<u>33.05</u>
<b>2023</b>			
Energy and utilities	533,009	46.84	19.81
Public administration	300,703	26.43	11.17
Real Estate	304,080	26.73	11.30
	<u>1,137,792</u>	<u>100.00</u>	<u>42.28</u>

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(c) Liquidity risk (cont'd.)**

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund:

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2024</b>						
<b>Financial assets</b>						
Investments	35,716	231,477	378,633	111,080	8,213	237,537
Dividend receivables	301	-	-	-	-	-
Amount due from brokers	66,188	-	-	-	-	-
Deposit with licensed financial institution	156,013	-	-	-	-	-
Cash at bank	43,992	-	-	-	-	-
<b>Total financial assets</b>	<b>302,210</b>	<b>231,477</b>	<b>378,633</b>	<b>111,080</b>	<b>8,213</b>	<b>237,537</b>
<b>Financial liabilities</b>						
Amount due to Manager	3,828	-	-	-	-	-
Amount due to Trustee	113	-	-	-	-	-
<b>Total financial liabilities</b>	<b>3,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(c) Liquidity risk (cont'd.)**

The following table presents the undiscounted contractual cash flows from different financial assets and financial liabilities classes in the Fund:  
(cont'd.)

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2023</b>						
<b>Financial assets</b>						
Investments	51,544	51,430	247,245	342,975	129,661	667,405
Dividend receivables	200	-	-	-	-	-
Deposit with licensed financial institution	16,648	-	-	-	-	-
Amount due from brokers	166,014	-	-	-	-	-
Cash at bank	10,253	-	-	-	-	-
<b>Total financial assets</b>	<b>244,659</b>	<b>51,430</b>	<b>247,245</b>	<b>342,975</b>	<b>129,661</b>	<b>667,405</b>
<b>Financial liabilities</b>						
Amount due to Manager	6,147	-	-	-	-	-
Amount due to Trustee	113	-	-	-	-	-
<b>Total financial liabilities</b>	<b>6,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(d) Single issuer risk**

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

**(e) Regulatory risk**

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

**(f) Management risk**

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

**(g) Non-compliance risk**

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

**19. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its Prospectus;
- (b) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- (c) To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

## **AmBalanced**

### **STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmBalanced (the “Fund”) as at 31 July 2024 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

18 September 2024



## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AMBALANCED ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds 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.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur, Malaysia  
18 September 2024

## DIRECTORY

Head Office

9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan, 50200 Kuala Lumpur  
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210  
Email: enquiries@aminvest.com

Postal Address

AmFunds Management Berhad  
P.O Box 13611, 50816 Kuala Lumpur

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*

