



# **AIA PRIVATE RETIREMENT SCHEME**

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## **SEMI-ANNUAL REPORT**

### **AIA PAM – MODERATE FUND**

For the six months financial period ended  
31 October 2023



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## PRS PROVIDER'S REPORT

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### Message from PRS Provider

Dear Valued Clients,

We are pleased to present you the PRS Provider's Report and the Unaudited Financial Statements of AIA-PAM Moderate Fund for the six months financial period ended 31 October 2023.

During the period under review, we witnessed a gradual recovery in the global economy as the pandemic subsided. However, sticky inflation, rising interest rates, China's structural slowdown and geopolitical concerns continued to weigh on market sentiment, contributing to significant market volatility. Against this backdrop, all our Private Retirement Scheme ("PRS") funds returned positive for the 6 months financial period ended 31 October 2023.

Overall, diversification is the key to navigating a volatile market environment and staying invested over the long term increases your chances of achieving your financial goals. We encourage you to engage with our PRS Consultants and visit [aia-prs.com.my](http://aia-prs.com.my) for further insight about investing in PRS.

Thank you for your support and trust in us. We remain committed in delivering positive long-term results to our clients.

## Local Bond Market Commentary

### Market Review

Bank Negara Malaysia (“BNM”) unexpectedly raised its Overnight Policy Rate (“OPR”) to 3.00% (+25bps) in its latest MPC meeting on 3 May 2023. The hike came after two consecutive pauses in Jan and March, and it was justified on resilient demand. BNM warned that the balance of risk to the inflation outlook is tilted to the upside and remains highly subject to changes to domestic policy including subsidies and price controls. BNM also stated that it is timely to further normalize the degree of monetary accommodation with the domestic growth prospects remain resilient, and household spending would be supported by the further labour market improvements. Malaysia’s headline inflation moderated further to +3.3% in April (from +3.4% in March), its slowest pace since June 2022. The moderation was primarily driven by slower increase in prices for food and non-alcoholic beverages.

Malaysian Government Securities (“MGS”) traded mixed June 2023. Short-end yields came under pressure at the start of the month on expectations of tighter market liquidity and as market participants de-risked ahead of BNM’s Monetary Policy Committee (“MPC”) decision. Subsequently, local government bonds rallied and reversed some of their losses after the release of weaker-than-expected US CPI data for June, with the rally led by a good mix of buying flows from both onshore and offshore participants across the curve. Towards month-end, trading interests turned relatively subdued ahead of the key rate decision by the US Federal Open Market Committee (“FOMC”) meeting, which eventually saw the US Federal Reserve (“Fed”) hiked the federal funds rate by 25 bps following a pause in the May FOMC meeting. Foreign net inflows continued for the 6th successive month in June 2023, accelerating to MYR5.2 billion (May 2023: +MYR3.0 billion). Foreign holdings in MGS and Government Investment Issue (“GII”) remained unchanged at 23.2% in May 2023 (Apr 2023: 23.2%).

BNM kept the OPR at 3.00% in its latest MPC in July 2023, with the view that global economic growth outlook being weighed down by persistent core inflation and higher interest rate. BNM also stated the current monetary policy stance is slightly accommodative thus remains supportive of the economy. Malaysia’s headline inflation moderated further to +2.8% in May (from +3.3% in April), its slowest pace since June 2022. The moderation was primarily driven by slower increase in prices for food and non-alcoholic beverages.

MGS traded mixed in August 2023. Short-end yields moved lower amidst optimism that BNM will keep the OPR on hold for the rest of 2023. On the long end of the curve, yields moved higher, weighed by weakness in US Treasuries (“UST”) and pressured by increased primary supply of long-dated bonds during the month. The earlier part of the month saw some decent demand by local investors, especially after the conclusion of the state elections, as yields moved 2 to 3 bps lower across the curve. However, sentiment deteriorated in the final 2 weeks of the month, as UST yields soared to 15-year highs. The UST market was burdened by large primary supply and investors also began to price in the potential for more hikes by the Fed after data releases indicated that the services sector and labour market remains robust. There was also caution among global investors leading up to the annual Jackson Hole symposium at the end of August 2023 where Federal Reserve Chairman, Jerome Powell and other global central bank leaders were scheduled to speak.

BNM maintained the OPR at 3.00% at the September MPC meeting. The extended rate hold suggests the focus is more on growth concerns rather than inflation control. In its statement, BNM stated that the monetary policy stance is accommodative and remains supportive of the economy while continues to see limited risks of future financial imbalances. BNM also acknowledged the persistently strong US dollar driven by a higher for-longer interest rate environment in the US and escalating geopolitical tensions.

In October 2023, the MGS yield curve shifted lower during the month in tandem with the strong rally in UST after the US FOMC kept the fed funds rate unchanged. While this was largely expected, market participants had a neutral to slightly dovish assessment of US Fed chairman Jerome Powell’s speech. Other factors which contributed to the rally in UST included the weaker-than-expected ISM manufacturing data, lower-than-expected coupon supply from the UST quarterly refunding announcement, as well as slower nonfarm payroll



gains and inflation prints. Domestic bonds tracked the rally as market participants who were previously light on positioning decisively added on positions.

## **Market Outlook**

Although recent inflation readings and economic data from the US have shown signs of moderation, the US Fed continues to reiterate the need to maintain tighter monetary policy amidst robust labour market data. Despite this, it is apparent that we are at the tail-end of the rate normalisation cycle. Domestically, BNM has kept the OPR unchanged at its recent MPC meetings. Moving forward, we expect rate volatility to remain due to uncertainties surrounding economic data and central banks' future monetary policy moves as market conditions evolve. We are cautiously optimistic on the equity and fixed income market in the near term.

## **Key Market Drivers**

### **Opportunities**

- Favourable macro backdrop arising from China re-opening and elevated commodity prices.
- Revival of domestic infrastructure projects to support economic growth.
- Potential fund flows from foreign investors into the domestic bond market on the back of reduced political uncertainty. Fed policy pivot and expectations of peak USD strength.
- Ongoing trade tension result in trade and investment diversion into Malaysia resulting higher Foreign Direct Investment ("FDI") and exports.

### **Concerns**

- Prolonged Russia-Ukraine geopolitical tension and worsening US-China trade relations.
- Contagion effect from the banking sector in US and Europe.
- Slower recovery in China's GDP growth.
- Persistently high and stubborn US inflation.
- UST yields potentially trending higher, prompting further momentum to USD strength and risk of non-resident outflows.
- Hard landing in the US with a severe economic recession.

## Local Stock Market Commentary

### Market Review

The FBMKLCI (“Index”) fell by 2.03% Month-on-Month (“MoM”) to close at 1,387.12 pts on 31 May 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 1.25% MoM in Malaysia Ringgit (“MYR”) terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR0.73 billion in May 2023 while local institutions remained net buyers with MYR0.71 billion. Bursa Malaysia’s average daily transaction value (ADTV) rose 14% MoM to MYR1.9bn in May 2023. Sector wise, Technology (+9.6%), Utilities (+4.9%) and Healthcare (+2.4%) were the key performers while Industrial Products & Services (-8.8%), Energy (-5.7%) and Consumer Products & Services (-4.1%) were the key detractors.

The Index fell by 0.8% MoM to close at 1,376.68 pts on 30 June 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 3.3% MoM in Malaysia Ringgit terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR1.3 billion in June 2023 while local institutions remained net buyers with MYR0.63 billion. Bursa ADTV fell 5.5% MoM to MYR1.8 billion in June 2023. Sector wise, Technology (+1.5%), Plantations (+1.5%) and Finance (+0.8%) were the key performers while Healthcare (-10.8%), Energy (-4.4%) and Telecom (-3.3%) were the key detractors.

The Index posted a remarkable 6.0% MoM gain and closed at 1,459.43 pts on 31 July 2023. This market rally is driven by foreign buying, improved market sentiments following the launch of the Madani Economic Framework and National Energy Transition Roadmap, and the strengthening of the Ringgit. The Index outperformed the MSCI Asia Ex Japan Index, which rose 5.7% MoM in Malaysia Ringgit terms over the same period. In July, foreign investors returned as net buyers of MYR1.4 billion, while local institutions emerged as the largest net sellers with a net sell value of MYR748 million. Bursa Malaysia’s ADTV rose by 9% MoM to MYR2.1 billion in July 2023. Sector wise, Property (+12%), Industrial Production (+7.5%) and Energy (+7.2%) were the key performers while REIT (+0%), Transport (+1.3%) and Telecommunication (+1.6%) were the key detractors.

The Index corrected 0.51% MoM to close at 1,451.94 pts on 30 August 2023. The Index outperformed the MSCI Asia Ex Japan Index, which fell 3.88% MoM in Malaysia Ringgit terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR0.14 billion in August 2023 while local institutions turned net buyers with net buy value of MYR0.43 billion. Bursa Malaysia’s ADTV rose by 11.6% MoM to MYR2.2 billion in August 2023. Sector wise, Property (+12.3%), Utilities (+10.8%) and Construction (+7.1%) were the key performers while Telecom (-1.4%), Plantation (-3.5%) and Healthcare (-6.2%) were the key detractors.

The Index corrected 0.29% MoM to close at 1,424.17 pts on 29 September 2023. The Index outperformed the MSCI Asia Ex Japan Index, which fell 1.69% MoM in Malaysian Ringgit terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR0.67 billion in September 2023 while local institutions turned net sellers with net sale value of MYR0.58 billion. Bursa Malaysia’s ADTV rose by 1.6% MoM to MYR2.0 billion in September 2023.

The Index rallied 1.26% MoM to close at 1,442.12 pts on 31 October 2023. The Index outperformed the MSCI Asia Ex Japan Index, which fell 2.47% MoM in Malaysian Ringgit terms over the same period. Foreign investors turned net sellers of Malaysian equities amounting to MYR2.2 billion in October 2023 while local institutions turned net buyers with net buy value of MYR2.3 billion. Bursa Malaysia’s ADTV fell by 12.3% MoM to MYR2.0 billion in October 2023. Sector wise, Finance (+2.1%), Construction (+0.9%) and Industrial Production (+0.5%) were the key performers while Property (-3.2%), Energy (-2.8%) and Technology (-2.7%) were the key detractors.

## **Market Outlook**

We are cautiously optimistic on the equity market in the near term. We are of the view that we have already seen the peak of Fed's hawkishness and equities valuation has been partially adjusted downwards accordingly. Investors are now watching the macro data closely to gauge the extend of the recession in the US from the aggressive rate hikes. On the other hand, China has reopened its economy which would potentially mitigate the impact of the US recession. Domestically, corporate earnings should improve in 2023 with by the expiry of the one-off prosperity tax. Downside risks to the market could stem from a prolonged deep US recession, worsening geopolitical tension, domestic politics and policy direction.

## **Key Market Drivers**

### **Opportunities**

- The Malaysian economy is on track to recover as domestic consumption, especially services, leads the charge ahead after stalling during the pandemic. External demand remains supported by ongoing strong global demand for electronics and commodities.
- A favourable macro backdrop from global economic recovery supports commodity price recovery, thus positive for Malaysia Ringgit.
- Favourable macro backdrop arising from China re-opening and elevated commodity prices.
- Revival of domestic infrastructure projects to support economic growth.
- Potential fund flows from foreign investors into the domestic bond market on the back of reduced political uncertainty. Fed policy pivot and expectations of peak USD strength.
- Ongoing trade tension result in trade and investment diversion into Malaysia resulting higher FDI and exports.

### **Concerns**

- The ongoing Russia-Ukraine conflict keeps prolonged the supply-chain bottleneck worldwide.
- The risk of elevated inflation driven by both cost-push (supply chain disruptions and exogenous oil shocks) and demand-pull reasons (consumption growth) may be significant.
- Hard landing in the US with a severe economic recession.

## Foreign Stock Market Commentary

### Market Review

During the second quarter of 2023, equity markets continued their upward trend, driven by better-than-expected economic data, easing inflation and associated expectations that the Fed would end its tightening cycle. In June, technology stocks experienced a surge (+7%) due to increased interest in artificial intelligence (AI), which contributed most of the broader equity market's overall return of +9% for the quarter. The concerns about a possible recession diminished significantly as solid economic data and a thriving equity market boosted confidence.

After strong gains for shares in the first half of 2023, global equities decline in the third quarter. Market sentiment was negatively impacted by concerns on increasing US treasury bond yields, rising energy prices, strong US dollar, China's economic health and the latest conflict in the Middle East, in addition to the backdrop of expectations for higher for longer policy rates. Comments from Fed officials following the September FOMC meeting indicated that they believe interest rates have reached their peak. However, the Fed remains watchful and will closely monitor the factors affecting inflation. Futures for Federal Reserve funds now predict that peak interest rates will occur in November or December, however rate cuts are expected until the latter half of 2024. Our viewpoint is that the peak Fed funds rate should range from 5.25% to 5.50% and our year-end projection for the 30-year Treasury yield is now in the range of 4.50% to 4.60%, with a leaning towards higher rates due to associated risks. The rally year-to-date in US stocks has been relatively narrow, primarily driven by the valuation growth of a small number of technology companies, particularly those involved in artificial intelligence. Out of the S&P 500's year-to-date return, a significant portion is attributed to just eight large-cap technology stocks. However, only a selected few of these companies have seen substantial improvements in their earnings forecasts for 2023 and 2024. This valuation-driven rally is now being challenged by rising bond yields. Treasury yields are once again on the rise, with the yield on the 10-year bond surpassing 5%, approaching its highest level since late 2007. This poses a problem for the stock market, as higher interest rates on relatively safe bonds reduce the additional return that investors can expect from riskier assets like stocks. This makes stocks less attractive, especially considering the gains made in 2023, which have left the valuation of the S&P 500 relatively high amid significant market volatility. Our model suggests current valuation is still a few multiples higher than what historical real interest rates would suggest, pointing to some more risk of downward adjustment to equity valuation. At the same time, oil prices, which had fallen since the peak reached during the 2022 Russia-Ukraine conflict, have resumed an upward surge, exceeding US\$89 per barrel. Higher energy prices often lead to reduced expectations for economic growth and higher expectations for inflation in the short term. This, in turn, can lower expectations for corporate earnings, negatively impacting stock prices. Additionally, rising input costs associated with higher energy prices can lead to reduced profit margins. Adding to these challenges is the strengthening of the US dollar during the latter part of 2023, relative to many other currencies, including the British pound, Japanese yen, and Euro. This strong US dollar affects the overseas earnings of US companies - for US companies doing business internationally, including many listed in the S&P 500 Index, a stronger dollar diminishes the value of their overseas profits when converted back into dollars. This can also make US products more expensive in foreign currency terms, affecting the global competitiveness of American companies.

Furthermore, US financial assets may become less appealing to foreign investors due to a stronger dollar. This, combined with the prospect of gains from repatriating investments to take advantage of currency-related opportunities in their home countries, may exert additional pressure on the demand for US financial assets. Lastly, the state of China's domestic demand showed signs of stability in September and October, despite soft data related to property sales. There was some improvement in personal consumption, and households started to reduce precautionary savings. However, demand still lags supply, resulting in low inflation figures. Property prices have slowed since the beginning of the second quarter, and credit growth has been unusually erratic. Policymakers have responded cautiously, implementing targeted measures, including a 25-basis points reduction in reserve requirements. Nevertheless, given the challenging conditions in the domestic property market, more measures may be necessary to restore investors' confidence.



## Market Outlook

Central banks in the world's largest economies have made it clear that they are willing to maintain high interest rates to control inflation, even as two years of extraordinary global policy tightening reaches its peak. This "higher for longer" approach has become the official stance of major central banks, including the US Federal Reserve, European Central Bank, and the Bank of England, and is echoed by other monetary policymakers. For example, the US Federal Reserve decided to keep interest rates steady in September despite a decrease in inflation, and it outlined a more restrictive monetary policy path for the next two years. This decision was influenced by a robust labour market and an improved outlook in the US economy. Subsequently, Q3 gross domestic product growth is reported at 4.9% quarter-on-quarter annualised, beating consensus, lending more support to Fed's hawkish stance. In the UK, Mortgage holders received some relief as the Bank of England maintained interest rates at the same level for the first time in almost two years, suggesting that they may have reached the highest point in the battle against inflation. In Japan, there were indications of a potential shift away from an extremely loose monetary policy as the Bank of Japan (BoJ) allowed government bond yields to fluctuate more freely. However, given significant uncertainties in both domestic and international economies and financial markets, the BoJ ultimately kept rates stable and maintained the yield curve control (YCC) programme. The BoJ meeting scheduled by end of October, one day ahead of the Fed's, has gained much attention by the market, scrutinising for any signals to the outlook of BoJ's monetary policy. In contrast, in China, the People's Bank of China (PBoC), where the economy showed signs of stabilizing after recent government policy adjustments, opted to keep interest rates unchanged. The macro headwind was evident in various macroeconomic indicators, including those related to manufacturing, services, retail sales, credit growth, and inflation, but the widening policy rates differential vs the rest of global central banks is limiting the room for further easing by PBoC.

## Key Market Drivers

### Opportunities

- Favourable macro backdrop arising from China re-opening and elevated commodity prices.
- Revival of domestic infrastructure projects to support economic growth.
- Potential fund flows from foreign investors into the domestic bond market on the back of reduced political uncertainty. Fed policy pivot and expectations of peak USD strength.
- Ongoing trade tension result in trade and investment diversion into Malaysia resulting higher FDI and exports.

### Concerns

- Prolonged Russia-Ukraine geopolitical tension and worsening US-China trade relations.
- Contagion effect from the banking sector in US and Europe.
- Slower recovery in China's GDP growth.
- Persistently high and stubborn US inflation.
- UST yields potentially trending higher, prompting further momentum to USD strength and risk of non-resident outflows.
- Hard landing in the US with a severe economic recession.



## Fund Information

Name:	AIA PAM – Moderate Fund (“Fund”)
Type & Category:	Core (Moderate)
Investment Objective:	The Fund seeks to provide returns through a combination of income* and capital growth.  *Income will be reinvested in additional Units in the Fund.
Investment Strategy:	The Fund will invest in equities that are trading below their fair value and equities offering a dividend yield above the market average. The Fund will invest in local and foreign markets. The Fund will also invest at least 35% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.
Benchmark:	25% FBM 100 Index + 15% MSCI AC Asia ex-Japan Index + 40% Quant Shop MGS All Bond Index+ 20% MSCI World Index
Distribution policy:	Subject to the availability of income, distribution (if any) will be distributed annually.

### Breakdown of unit holdings by size:

Size of Holdings (units)	No. of unit holders	No. of units held	% of units held
5,000 and below	2,471	49,530,418.08	34%
5,001 to 10,000	8,107	16,647,629.96	11%
10,001 to 50,000	2,336	16,861,742.57	12%
50,001 to 500,000	451	53,171,097.01	36%
500,001 and above	10	9,662,526.97	7%
<b>TOTAL</b>	<b>13,375</b>	<b>145,873,414.59</b>	<b>100%</b>



## Fund Performance

Details of the portfolio composition of the Fund are as follows:

	Period ended 31.10.2023	Period ended 31.10.2022	Period ended 31.10.2021
	%	%	%
<b>Quoted Securities</b>			
- Collective Investment Scheme	33.14	33.62	40.11
- Construction	0.61	0.68	1.15
- Consumer Products & Services	3.17	4.42	2.37
- Energy	1.65	0.65	0.35
- Financial Services	8.56	8.10	6.82
- Health Care	1.70	0.95	1.52
- Industrial Products & Services	1.51	1.33	2.99
- Plantation	1.11	0.79	0.83
- Property	0.06	0.10	0.17
- Real Estate Investment Trusts	0.20	0.81	0.65
- Technology	3.74	1.67	4.14
- Telecommunication & Media	1.46	2.04	1.72
- Transportation & Logistic	1.64	1.31	1.16
- Utilities	0.61	1.10	0.42
<b>Unquoted fixed income securities</b>	36.30	31.90	31.89
<b>Cash and other net assets</b>	4.54	10.53	3.71
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund are as follows:

	Period ended 31.10.2023	Period ended 31.10.2022	Period ended 31.10.2021
Net asset value (NAV) (RM million)	184.9069	170.1920	166.1702
Units in circulation (million)	145,8734	139.5146	120.7823
NAV per unit (RM)	1.2676	1.2199	1.3758
Highest NAV per unit (RM)	1.3309	1.3063	1.4165
Lowest NAV per unit (RM)	1.2654	1.1912	1.3516
Total return (%)	0.93	-4.86	23.95
- Capital Growth (%)	-1.35	-6.73	22.00
- Income Distribution (%)	2.28	1.87	1.95
Average monthly return (%)	0.16	-0.80	1.82
Annualised total return (%)	1.86	-9.40	23.96
Gross distribution per unit (sen)	3.00	2.50	4.00
Net distribution per unit (sen)	3.00	2.50	4.00
NAV per unit before distribution (RM)	1.3309	1.2718	1.4025
NAV per unit after distribution (RM)	1.2654	1.2434	1.3693
Date of distribution	04.09.2023	05.09.2022	23.08.2021
Management Expense Ratio (%)	0.80	0.76	1.70
Portfolio Turnover Ratio (times)	0.22	0.25	0.27
Seed capital (units in million)	-	-	-
% of total units in circulation	-	-	-

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



Note: Basis of calculation and assumption made in computation of the returns

$$\text{Performance return} = \frac{\text{NAV}(t) - \text{NAV}(t-1)}{\text{NAV}(t)}$$

$$\text{Annualised performance return} = \frac{(\text{Performance return}) \times (\text{no. of days per year})}{\text{total no. of days for period under review}}$$

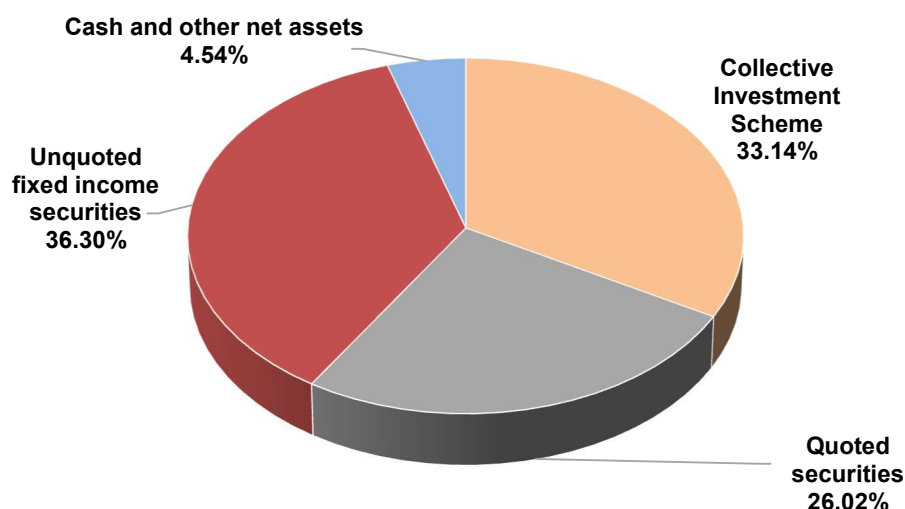
The Total Expense Ratio (“TER”) for the financial period is marginally higher as compared to the previous financial period mainly due to the increase in expenses during the financial period.

The Portfolio Turnover Ratio (“PTR”) for the financial period is lower as compared to the previous financial period mainly due to the increase in average NAV.

#### Asset allocation of the Fund is as follows:

	Period ended 31.10.2023	Period ended 31.10.2022	Period ended 31.10.2021
	% of NAV	% of NAV	% of NAV
Collective Investment Scheme	33.14	33.62	40.11
Quoted securities	26.02	23.95	24.29
Unquoted fixed income securities	36.30	31.90	31.89
Cash and other net assets	4.54	10.53	3.71
Total	100.00	100.00	100.00

#### Asset allocation of the Fund as at 31 October 2023



#### Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”) during the financial period.

#### Cross Trading

There was no cross trade transaction carried out during the financial period.

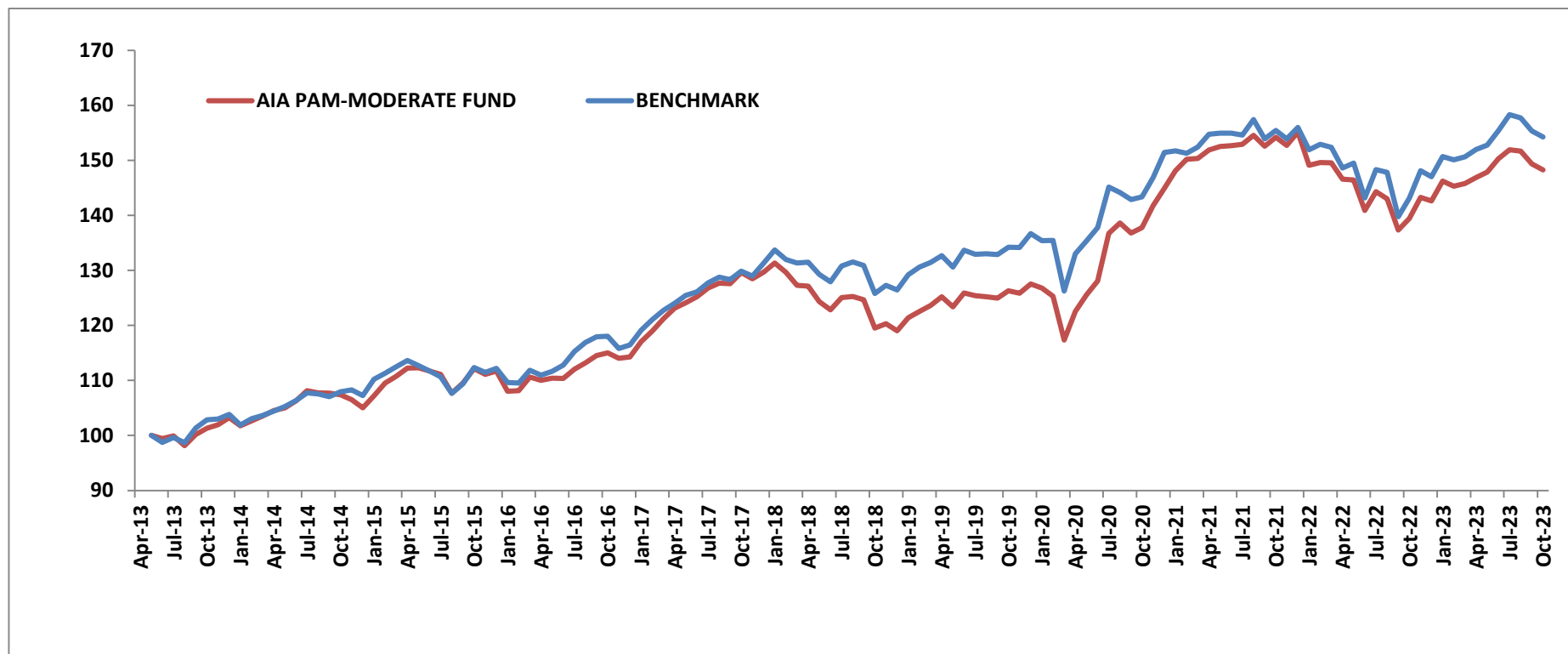
#### Soft Commission and Rebates

No soft commission or rebates were received from any broker during the financial period.



## Fund Report

### AIA PAM – MODERATE FUND



Source: Bloomberg, Bursa Malaysia, Quant Shop, MSCI as at 31 October 2023



**Private Retirement Scheme Semi-Annual Report for AIA PAM – Moderate Fund**

**Fund Performance as at 31 October 2023**

Average Total Return	6-month	1 year#	3 Year#	5 Year#	10 Year#	Since Inception#
	May'23 – Oct'23	Nov'22 – Oct'23	Nov'20 – Oct'23	Nov'18 – Oct'23	Nov'13 – Oct'23	Jun'13 – Oct'23
AIA PAM – Moderate Fund	0.93%	6.31%	2.48%	4.41%	3.88%	3.86%
Average Total Benchmark	1.50%	7.76%	2.47%	4.17%	4.14%	4.25%

**Fund Performance as at 31 October 2023**

Annual Total Return	6 months	31.10.2023	31.10.2022	31.10.2021	31.10.2020	31.10.2019	31.10.2018	31.10.2017
AIA PAM - Moderate Fund	0.93%	6.31%	-9.55%	11.93%	9.08%	5.67%	-7.79%	12.67%
Average Total Benchmark	1.50%	7.76%	-7.90%	8.41%	6.83%	6.71%	-3.15%	10.01%

Source: Bloomberg as at 31 October 2023

\* 20% FTSE Bursa Malaysia Top 100 Index (Source: Bursa Malaysia) + 60%Quant Shop MGS All Bond Index (Source: Quant Shop) + 10% Maybank Overnight Rate (Source: Malayan Banking Berhad) + 10% Bloomberg Barclays Global Aggregate Corporate TR Index Unhedged USD.



### **How did the Fund perform during the period?**

For the financial period ending 31 October 2023, the Fund returned 6.31%, against the benchmark's return of 7.76%. The underperformance was mainly due to the sell down in the local equities in where the fund has exposure, particularly in the Technology sector. The Fund is overweighted on Technology as we seen interest rates stabilised and potential rate cut is around the corner as the world economy slowing down. Cutting rate is seemed to be a catalyst to improve the economy as lower borrowing costs for businesses.

The Fund is in line with its investment objective of seeking to provide returns through capital growth.

During the period under review, there were no significant changes in the state of affairs of the Fund and no circumstances which materially affected any interests of the members.

### **What is the Fund's strategy going forward?**

We anticipate a slowdown in the U.S. economy (not a recession). An equity correction has been sparked by surging bond yields, which are currently dominating equity market moves. Even among the previously strong "Magnificent 7" technology stocks, there are indications of a decline in share prices against earnings disappointment, for example Tesla.

Equities are still being traded at high valuations, especially when compared to safer investments like bonds. The stock market is not prepared for any potential disappointment in economic growth and the recent increase in U.S. stock prices this year is primarily due to higher price-to-earnings ratios. The earnings per share forecasts seem overly optimistic as well. As such, we maintain modest underweight to Equities with risks skewed to downside.

Within Equities, we continue to remain neutral on Asia ex Japan (AxJ) equities as its performance has remained steady compared to developed markets during the recent market volatility, indicating a degree of resilience in the global equity downturn, likely influenced by a combination of valuation factors, and diverging individual local drivers. China, representing a significant portion of the AxJ region offers attractive valuation but grapples with underwhelming economic conditions and concerns about the property sector.

Recent U.S bond yields have overshoot the upper range, presenting good entry points. We are rebuilding our overweight positions in Bonds and duration as current yields offer value. We expect yields to end the year lower as the economic slowdown, retreating inflation and peak Fed rates are priced in.

Within Fixed Income, we are cautious on Investment Grade credits as credit spreads have rallied to the tight end of the range and are very likely to widen as economic slowdown and weaker fundamentals get priced in. Given the tighter financial conditions and higher borrowing costs, credits are particularly vulnerable to weakening fundamentals. We expect default rates picking up as companies are faced with higher borrowing costs coupled with higher inventory build-ups and lower corporate earnings. By adhering to our active portfolio management approach that centres around our investment propositions of Stewardship, Long-term, and Global Expertise, our primary goal is to create a balanced and diversified investment strategy that not only aims to maximize financial returns but also positively impacts society and the environment.



## STATEMENT BY PRS PROVIDER

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### STATEMENT BY PRS PROVIDER TO THE MEMBERS OF AIA PAM – MODERATE FUND

I, Heng Zee Wang, being the Director of AIA Pension and Asset Management Sdn. Bhd. (the "PRS Provider"), do hereby state that, in the opinion of the PRS Provider, the accompanying financial statements set out on pages 16 to 51 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 October 2023 and of its financial performance, changes in equity and cash flows for the financial period ended 31 October 2023 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the PRS Provider,

**AIA PENSION AND ASSET MANAGEMENT SDN. BHD.**

Registration No: 201201027147 (1011637-P)



**Heng Zee Wang**  
Director

Kuala Lumpur

26 December 2023





Deutsche Trustees Malaysia Berhad  
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## TRUSTEE'S REPORT

### TO THE MEMBERS OF AIA PAM – MODERATE FUND ("Fund")

We have acted as the Scheme Trustee of the Fund for the period ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AIA Pension and Asset Management Sdn. Bhd has operated and managed the Fund during the period 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 Deutsche Trustees Malaysia Berhad

  
**Ng Hon Leong**  
Head, Fund Operations

  
**Sylvia Ben**  
Chief Executive Officer

Kuala Lumpur  
26 December 2023

# FINANCIAL STATEMENTS (UNAUDITED)

## Statement of Comprehensive Income

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Note	31.10.2023 RM	31.10.2022 RM
<b>NET INVESTMENT INCOME/(LOSS)</b>			
Dividend income		923,290	851,427
Interest income from financial assets at fair value through profit or loss		1,398,251	1,112,916
Interest income from financial assets at amortised cost		85,480	147,967
Net gain/(loss) on financial assets at fair value through profit or loss	9	491,362	(9,381,314)
Net gain on foreign currency exchange		272,304	331,710
		<u>3,170,687</u>	<u>(6,937,294)</u>
<b>EXPENSES</b>			
Management fee	4	1,407,766	1,250,294
Trustee's fee	5	37,540	33,341
Private Pension Administrator ("PPA") administration fee	6	37,540	33,341
Transaction costs		37,508	81,323
Audit fee		8,414	5,447
Tax agent's fee		403	403
Custody fee		3,188	2,312
Other expenses		5,385	10,162
		<u>1,537,744</u>	<u>1,416,623</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,632,943	(8,353,917)
Taxation	7	-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>1,632,943</u>	<u>(8,353,917)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		2,076,942	(680,850)
Unrealised amount		(443,999)	(7,673,067)
		<u>1,632,943</u>	<u>(8,353,917)</u>

The accompanying notes to the financial statements (Unaudited) form an integral part of the financial statements.



## Statement of Financial Position

### AS AT 31 OCTOBER 2023

	Note	31.10.2023	31.10.2022
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	10	8,200,006	16,962,254
Financial assets at fair value through profit or loss	9	176,498,914	152,259,110
Amount due from stockbrokers		1,080,681	888,561
Amount due from PRS Provider – creation of units		83,131	387,145
Amount due from Manager of collective investment schemes – rebate		2,725	-
Dividends receivable		49,370	97,681
<b>TOTAL ASSETS</b>		<b>185,914,827</b>	<b>170,594,751</b>
<b>LIABILITIES</b>			
Amount due to PRS Provider – cancellation of units		668,068	168,935
Accrued management fee		245,182	214,245
Amount due to Trustee		6,539	5,714
Amount due to stockbrokers		70,274	-
Amount due to PPA		6,539	5,713
Other payables and accruals		11,336	8,130
<b>TOTAL LIABILITIES</b>		<b>1,007,938</b>	<b>402,737</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>184,906,889</b>	<b>170,192,014</b>
<b>EQUITY</b>			
Members' capital		176,856,289	168,588,736
Retained earnings		8,050,600	1,603,278
<b>NET ASSET ATTRIBUTABLE TO MEMBERS</b>		<b>184,906,889</b>	<b>170,192,014</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	11	<b>145,873,415</b>	<b>139,514,560</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<b>1.2676</b>	<b>1.2199</b>

The accompanying notes to the financial statements (Unaudited) form an integral part of the financial statements.



## Statement of Changes in Equity

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Note	Members' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 May 2023</b>		171,900,637	10,754,163	182,654,800
Movement in members' contributions:				
Creation of units arising from applications		10,251,974	-	10,251,974
Creation of units arising from distributions		4,336,506	-	4,336,506
Cancellation of units		(9,632,828)	-	(9,632,828)
Total comprehensive income for the financial period		-	1,632,943	1,632,943
Distributions	8	-	(4,336,506)	(4,336,506)
<b>Balance as at 31 October 2023</b>		<u>176,856,289</u>	<u>8,050,600</u>	<u>184,906,889</u>

	Note	Members' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 May 2022</b>		151,473,533	13,341,019	164,814,552
Movement in members contributions:				
Creation of units arising from applications		17,820,971	-	17,820,971
Creation of units arising from distributions		3,383,824	-	3,383,824
Cancellation of units		(4,089,592)	-	(4,089,592)
Total comprehensive loss for the financial period		-	(8,353,917)	(8,353,917)
Distributions	8	-	(3,383,824)	(3,383,824)
<b>Balance as at 31 October 2022</b>		<u>168,588,736</u>	<u>1,603,278</u>	<u>170,192,014</u>

The accompanying notes to the financial statements (Unaudited) form an integral part of the financial statements.



## Statement of Cash Flows

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Note	31.10.2023 RM	31.10.2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from disposal of investments		39,450,456	35,133,052
Purchase of investments		(39,585,921)	(45,158,809)
Dividend received		957,443	803,782
Interest income received from unquoted fixed income securities		1,545,350	1,166,110
Interest income from deposits with licensed financial institutions		85,480	147,967
Net realised gain on foreign currency exchange		272,304	331,710
Management fee rebate received		44,656	-
Management fee paid		(1,386,517)	(1,207,258)
Trustee's fee paid		(36,973)	(33,049)
PPA administrative fee paid		(36,974)	(33,050)
Tax paid		-	(2,581)
Payments for other fees and expenses		(57,842)	(103,241)
<b>Net cash generated from/ (used in) through operating activities</b>		<b>1,251,462</b>	<b>(8,955,367)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		11,022,410	18,136,665
Payments for cancellation of units		(9,416,687)	(4,038,783)
<b>Net cash generated from financing activities</b>		<b>1,605,723</b>	<b>14,097,882</b>
Net increase in cash and cash equivalents		2,857,185	5,142,515
Cash and cash equivalents at 1 May 2023		5,342,821	11,819,739
Cash and cash equivalents at 31 October 2023	10	8,200,006	16,962,254

The accompanying notes to the financial statements (Unaudited) form an integral part of the financial statements.



## Notes to the Financial Statements (Unaudited)

### FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

#### 1. THE FUND, THE PRS PROVIDER AND ITS PRINCIPAL ACTIVITY

AIA PAM - Growth (the "Fund") is governed by a Deed dated 16 January 2013, a Supplemental Deed dated 16 August 2013, a Second Supplemental Deed dated 14 December 2015, a Third Supplemental Deed dated 8 September 2020, a Fourth Supplemental Deed dated 9 June 2023, Replacement Disclosure Document dated 9 December 2016, a Second Replacement Disclosure Document dated 23 February 2021 and Third Replacement Disclosure Document dated 31 August 2023 (collectively referred to as the "Deeds") between AIA Pension and Asset Management Sdn. Bhd. (the "PRS Provider") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund seeks to provide returns through a combination of income and capital growth. The Fund will be investing up to 65% of its net asset value ("NAV") in a portfolio of local and foreign equities, of which approximately half of its equity allocation in the Malaysian market and the other half in the Asia ex-Japan markets which are members of the International Organization of Securities Commissions such as (but not limited to) Singapore, Thailand, Philippines, Indonesia, Hong Kong, Korea and Taiwan. The actual allocation between local and foreign equities will depend on the availability of equities in each country which meets the Fund's stock selection criteria and will not be static.

The Fund will have a preference for equities offering a dividend yield above the market average and equities that are traded below their fair value.

The Fund will invest at least 35% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.

The Fund commenced operations on 16 May 2013 and will continue its operations until terminated by the Trustee or the PRS Provider, as the case may be as provided under Clause 16.2 of the Deed.

All investments will be subject to the Securities Commission's ("SC") Guidelines on Private Retirement Schemes, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The PRS Provider, AIA Pension and Assets Management Sdn. Bhd. is incorporated in Malaysia. The principal activities of the Company are asset management and management of Private Retirement Scheme ("PRS") funds. It is a wholly owned entity of AIA Bhd., whose ultimate holding company is AIA Group Limited, a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited.

The financial statements were authorised for issue by the PRS Provider on 26 December 2023.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with MFRS 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 PRS Provider to exercise their judgment in the process of applying the Fund's accounting policies.

Although these estimates and judgment are based on the PRS Provider's best knowledge of current events and actions, actual results may differ.



## **Private Retirement Scheme Semi-Annual Report for AIA PAM – Moderate Fund**

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(l).

(i) **Standard and amendments to existing standards effective 1 May 2022**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Fund.

(ii) **New standards, amendments and interpretations effective after 1 May 2022 and have not been early adopted:**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

**(b) Financial assets and financial liabilities**

**Classification**

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely payment of principal and interest ("SPPI"), however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective.

Investments in collective investment scheme have contractual cash flows that do not represent solely payment of principal and interest, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, dividends receivable, amount due from stockbrokers and amount due from PRS Provider as financial assets 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 stockbrokers, amount due to PRS Provider, amount due to Trustee, amount due to PPA, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

**Recognition and measurement**

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



## ***Private Retirement Scheme Semi-Annual Report for AIA PAM – Moderate Fund***

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

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

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

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

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 when the Fund’s right to receive payments is established.

Collective investment schemes are valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

Quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Bhd (“Bursa Securities”) at the date of the statement of financial position.

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

Unquoted fixed income securities denominated in Ringgit Malaysia (RM) are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the SC as per the SC Guidelines on Private Retirement Schemes.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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

### **Impairment**

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

### **Significant increase in credit risk**

A significant increase in credit risk is defined by PRS Provider 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 reorganisation
- the debtor is insolvent

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

Write-off

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

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

**(c) Income recognition**

Dividend income

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Interest income

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

Realised gain or loss on disposal of investments

Realised gain or loss on disposal of collective investment scheme and quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is calculated based on difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium.

**(d) 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.



**(e) Cash and cash equivalents**

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

**(f) Taxation**

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

**(g) Transaction costs**

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

**(h) Distribution**

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

**(i) Amount due from/to stockbrokers**

Amounts due from and amount due to stockbrokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from stockbrokers. A provision for impairment of amount due from stockbrokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant stockbroker. Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from stockbrokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or receivable expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**(j) 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.

**(k) Fair value of financial instruments**

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

Financial instruments of the Fund are as follows:

	<b>Financial assets at fair value through profit or loss RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Total RM</b>
<b>31.10.2023</b>			
Cash and cash equivalents (Note 10)	-	8,200,006	8,200,006
Financial assets at fair value through profit or loss (Note 9)	176,498,914	-	176,498,914
Amount due from stockbrokers	-	1,080,681	1,080,681
Amount due from PRS Provider – creation of units	-	83,131	83,131
Amount due from Manager of collective investment schemes – rebate	-	2,725	2,725
Dividends receivable	-	49,370	49,370
	<u>176,498,914</u>	<u>9,415,913</u>	<u>185,914,827</u>
<b>31.10.2022</b>			
Cash and cash equivalents (Note 10)	-	16,962,254	16,962,254
Financial assets at fair value through profit or loss (Note 9)	152,259,110	-	152,259,110
Amount due from stockbrokers	-	884,771	884,771
Amount due from PRS Provider – creation of units	-	387,145	387,145
Amount due from PRS Provider – rebate	-	3,790	3,790
Dividends receivable	-	97,681	97,681
	<u>152,259,110</u>	<u>18,335,641</u>	<u>170,594,751</u>

All current liabilities are financial liabilities which are carried at amortised cost.

**(l) 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 content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

In undertaking any of the Fund's investment, the PRS 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 Guidelines on Private Retirement Schemes.

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

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide returns through a combination of income and capital growth.

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

Financial risk management is carried out through internal control process adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the Disclosure Document and SC Guidelines on Private Retirement Schemes.

#### (a) Market risk

##### (i) Price risk

This is the risk that the fair value of an investment in collective investment schemes, quoted securities and unquoted fixed income securities will fluctuate because of changes in market prices. The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and selection of collective investment scheme, quoted securities and unquoted fixed income securities within specified limits according to the Deeds.

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

	31.10.2023 RM	31.10.2022 RM
Financial assets at fair value through profit or loss:		
- Collective investment schemes	61,273,031	57,197,746
- Quoted securities	48,117,047	40,767,145
- Unquoted fixed income securities*	67,108,836	54,294,219
Total	176,498,914	152,259,110

\* Includes interest receivable of RM617,830 (31.10.2022: RM490,469).

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and NAV to movements in prices of collective investment schemes, quoted securities and unquoted fixed income securities at the end of each reporting period. The analysis is based on the assumptions that the price of the collective investment schemes, quoted securities and unquoted fixed income securities fluctuates by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the collective investment scheme and quoted securities and unquoted fixed income securities having regard to the historical volatility of the prices.



<b>% Change in price of financial assets at fair value through profit or loss</b>	<b>Market value RM</b>	<b>Impact on profit after tax/NAV RM</b>
<b>31.10.2023</b>		
+5%	184,675,138	8,794,054
-5%	167,087,030	( 8,794,054)

<b>% Change in price of financial assets at fair value through profit or loss</b>	<b>Market value RM</b>	<b>Impact on loss after tax/NAV RM</b>
<b>31.10.2022</b>		
+5%	159,357,073	7,588,432
-5%	144,180,209	(7,588,432)

**(ii) Interest rate risk**

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the PRS 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 PRS Provider, which is based on its continuous fundamental research and analysis.

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

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmark against interest rates. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to meet obligation under the instrument, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.



% Change in interest rate	Impact on profit/(loss) after taxation/NAV	
	31.10.2023 RM	31.10.2022 RM
+5%	(1,092,008)	(725,047)
-5%	1,152,145	893,177

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's exposure to fair value interest rate risk arising from its investment in money market instruments is expected to be minimal as the Fund's investments comprise mainly short-term deposits with approved licensed financial institutions. The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable interest rate.

### (iii) Currency risk

Currency risk of the Fund is associated with investments that are quoted and/or priced in foreign currency domination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The PRS Provider will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as interest rate differential, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies of the Fund:

	Cash and cash equivalents RM	Financial assets at fair value through profit or loss RM	Total RM
<b>31.10.2023</b>			
USD	4,524,891	61,273,031	65,797,922
HKD	9,846	-	9,846
	<u>4,534,737</u>	<u>61,273,031</u>	<u>65,807,768</u>
<b>31.10.2022</b>			
USD	1,737,814	57,197,747	58,935,561
HKD	9,738	-	9,738
	<u>1,747,552</u>	<u>57,197,747</u>	<u>58,945,229</u>

The table below summarises the sensitivity of the Fund's profit/(loss) after taxation and NAV to changes in foreign exchange movements at the end of the financial year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, 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. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.



	Change in foreign exchange rate %	Impact on profit/(loss) after taxation/NAV	
		31.10.2023 RM	31.10.2022 RM
USD	5	3,289,896	2,946,778
HKD	5	492	487
		<u>3,290,388</u>	<u>2,947,265</u>

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund.

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the NAV of the Fund. Usually, credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the PRS Provider imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. For this Fund, the unquoted fixed income securities investment must satisfy a minimum rating requirement of at least "BBB3" or "P2" by RAM or equivalent rating by MARC.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange. The credit risk is minimal as all transactions in collective investment scheme and quoted securities are settled/paid upon delivery using approved stockbrokers.



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

	<b>Unquoted fixed income securities at fair value through profit or loss RM</b>	<b>Cash and cash equivalents RM</b>	<b>Amount due from PRS Provider RM</b>	<b>Amount due from Manager of collective investment schemes RM</b>	<b>Dividends receivable RM</b>	<b>Total RM</b>
<b>31.10.2023</b>						
Commercial Bank						
- AAA	-	3,540,291	-	-	-	3,540,291
- AA1	-	4,659,715	-	-	-	4,659,715
Communications Services						
- AAA	255,075	-	-	-	-	255,075
Consumer Discretionary						
- A+ IS	999,761	-	-	-	-	999,761
- AA1 (S)	250,788	-	-	-	-	250,788
Consumer Products & - Not Rated	-	-	-	-	16,520	16,520
Energy and Utilities						
- AAA IS	2,570,693	-	-	-	-	2,570,693
Financial Services						
- AAA	994,170	-	-	-	-	994,170
- AAA (S)	5,012,997	-	-	-	-	5,012,997
- AA1	1,018,134	-	-	-	-	1,018,134
- AA2	2,554,455	-	-	-	-	2,554,455
- AA3	7,528,424	-	-	-	-	7,528,424
- A1	2,203,325	-	-	-	-	2,203,325
- Not Rated	-	-	-	-	26,600	26,600
Public Finance						
- AAA	5,609,312	-	-	-	-	5,609,312
- AAA (S)	498,227	-	-	-	-	498,227
- Not Rated	29,791,450	-	-	-	-	29,791,450
Real Estate Investment Trust						
- AA2	1,329,292	-	-	-	-	1,329,292
Technology - Not Rated	-	-	-	-	6,250	6,250
Transportation						
- AA IS	936,981	-	-	-	-	936,981
- AA- IS	760,855	-	-	-	-	760,855
- AA2	207,028	-	-	-	-	207,028
- AAA	2,564,797	-	-	-	-	2,564,797
- Not Rated	2,023,072	-	-	-	-	2,023,072
Other - Not Rated	-	-	83,131	2,725	-	85,856
	<b>67,108,836</b>	<b>8,200,006</b>	<b>83,131</b>	<b>2,725</b>	<b>49,370</b>	<b>75,444,068</b>





**Private Retirement Scheme Semi-Annual Report for AIA PAM – Moderate Fund**

	<b>Unquoted fixed income securities at fair value through profit or loss RM</b>	<b>Cash and cash equivalents RM</b>	<b>Amount due from PRS Provider RM</b>	<b>Dividends receivable RM</b>	<b>Amount due from stock brokers RM</b>	<b>Total RM</b>
<b>31.10.2022</b>						
Commercial Bank						
- AAA	-	15,109,088	-	-	-	15,109,088
- AA1	-	1,853,166	-	-	-	1,853,166
Construction And Engineering						
- AA2	1,331,652	-	-	-	-	1,331,652
Consumer Products & Services						
- Not Rated	-	-	-	38,200	-	38,200
Diversified Holdings						
- A+ IS	986,941	-	-	-	-	986,941
- AAA (S)	4,787,973	-	-	-	-	4,787,973
Financial Services						
- A1	3,450,565	-	-	-	-	3,450,565
- AA	1,007,217	-	-	-	-	1,007,217
- AA1	1,018,479	-	-	-	-	1,018,479
- AA2	2,554,659	-	-	-	-	2,554,659
- AA3	3,169,125	-	-	-	-	3,169,125
- AAA (S)	358,322	-	-	-	-	358,322
- Not Rated	2,405,780	-	-	56,981	-	2,462,761
Industrial Products						
- AA- IS	494,493	-	-	-	-	494,493
Infrastructures And Utilities						
- AA IS	1,470,490	-	-	-	-	1,470,490
- AA- IS	722,384	-	-	-	-	722,384
- AA2	206,697	-	-	-	-	206,697
- AA3	519,386	-	-	-	-	519,386
- AAA	7,780,220	-	-	-	-	7,780,220
- AAA IS	506,320	-	-	-	-	506,320
Mining & Petroleum						
- A1	981,431	-	-	-	-	981,431
Public Finance						
- AAA (S)	2,176,506	-	-	-	-	2,176,506
- Not Rated	17,112,605	-	-	-	-	17,112,605
- Not Rated	-	-	-	2,500	-	2,500
Trading & Services						
- AA1 (S)	251,012	-	-	-	-	251,012
Transportation						
- Not Rated	1,001,962	-	-	-	-	1,001,962
Other						
- Not Rated	-	-	390,935	-	884,771	1,275,706
	<b>54,294,219</b>	<b>16,962,254</b>	<b>390,935</b>	<b>97,681</b>	<b>884,771</b>	<b>72,629,860</b>



(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. If a security encounters a liquidity crunch, the security may need to be sold at a discount to the market fair value of the security. This in turn would depress the NAV and/or growth of the Fund. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the PRS Provider will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The PRS Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by members. Liquid assets comprise bank balances, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 business days.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<b>31.10.2023</b>			
Amount due to PRS Provider	668,068	-	668,068
Accrued management fee	245,182	-	245,182
Amount due to Trustee	6,539	-	6,539
Amount due to stockbrokers	70,274	-	70,274
Amount due to PPA	6,539	-	6,539
Other payables and accruals	-	11,336	11,336
<b>Total</b>	<b>996,602</b>	<b>11,336</b>	<b>1,007,938</b>

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<b>31.10.2022</b>			
Amount due to PRS Provider	168,935	-	168,935
Accrued management fee	214,245	-	214,245
Amount due to Trustee	5,714	-	5,714
Amount due to PPA	5,713	-	5,713
Other payables and accruals	-	8,130	8,130
<b>Total</b>	<b>394,607</b>	<b>8,130</b>	<b>402,737</b>

**(d) Non-compliance risk**

Non-compliance risk arises when the PRS Provider and others associated with the Fund do not follow the rules set out in the Fund's constitution, or the law that govern the Fund, or act fraudulently or dishonestly. It also includes the risk of the PRS Provider not complying with internal control procedures.

The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the PRS Provider.

**(e) Capital risk management**

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.

**(f) Fair value estimation**

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 (i.e. an exit price).

The fair value of financial assets and financial liabilities traded in active market (such as publicly traded derivatives and 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 PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Valuations are therefore adjusted where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.



The fair value is based on the following methodology and assumptions:

- (i) Bank balance and deposits and placements with financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short-term nature.

### Fair value hierarchy

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

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

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

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>31.10.2023</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes (Foreign)	61,273,031	-	-	61,273,031
- Quoted securities	48,117,047	-	-	48,117,047
- Unquoted fixed income securities	-	67,108,836	-	67,108,836
	<u>109,390,078</u>	<u>67,108,836</u>	<u>-</u>	<u>176,498,914</u>



	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<b>31.10.2022</b>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme (Foreign)	57,197,746	-	-	57,197,746
- Quoted securities	40,767,145	-	-	40,767,145
- Unquoted fixed income securities	-	54,294,219	-	54,294,219
	<u>97,964,891</u>	<u>54,294,219</u>	<u>-</u>	<u>152,259,110</u>

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

#### 4. MANAGEMENT FEE

In accordance with Second Replacement Disclosure Document dated 23 February 2021 and Third Disclosure Document dated 31 August 2023, the PRS Provider is entitled to a maximum management fee of 1.50% per annum, calculated daily based on the NAV of the Fund.

For the financial period, the management fee is recognised at a rate of 1.50% per annum (31.10.2022: 1.50% per annum).

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

#### 5. TRUSTEE FEE

In accordance with Clause 17.2.2 of the Master Deed dated 16 January 2013 the Trustee is entitled to a maximum Trustee fee of 0.04% per annum, calculated daily based on the NAV of the Fund.

For the financial period, the Trustee's fee is recognised at a rate of 0.04% per annum (31.10.2022: 0.04% per annum).

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



## 6. PRIVATE PENSION ADMINISTRATOR (“PPA”) ADMINISTRATION FEE

For the financial period, the PPA administration fee is recognised at a rate of 0.04% per annum, calculated daily based on the NAV of the Fund (31.10.2022: 0.04% per annum).

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

## 7. TAXATION

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

	31.10.2023 RM	31.10.2022 RM
Profit/(loss) before taxation	1,632,943	(8,353,917)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	391,906	(2,004,940)
Tax effects of:		
(Investment income not subject to tax)/		
Investment loss not brought to tax	(748,136)	1,692,728
Expenses not deductible for tax purposes	29,175	38,611
Restriction on tax deductible expenses for PRS Funds	329,144	279,795
Investment income subject to different tax rate	(2,089)	(6,194)
Taxation	-	-

## 8. DISTRIBUTIONS

Distributions to PRS members are from the following sources:

	31.10.2023 RM	31.10.2022 RM
Undistributed net income brought forward	1,761,107	722,840
Dividend income	923,290	851,427
Interest income from financial assets at fair value through profit or loss	1,526,556	1,260,883
Other income	44,745	8,874
Net gain on financial assets at fair value through profit or loss	1,573,807	1,867,318
Gross realised income	5,829,505	4,711,342
Less: expenses	(1,492,999)	(1,327,518)
Gross/net distribution amount	4,336,506	3,383,824
Distribution date (Ex-date)	04.09.2023	05.09.2022
Gross/net distribution per unit (sen)	3.00	2.50



Net distribution above is sourced from prior and current financial years' realised income less expenses and taxation.

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.

During the financial period ended 31 October 2023, the Fund has unrealised loss of RM443,999 (31.10.2022: unrealised loss RM7,673,066).

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

	<b>31.10.2023 RM</b>	<b>31.10.2022 RM</b>
Financial assets at fair value through profit or loss:		
- collective investment schemes (foreign)	61,273,031	57,197,746
- quoted securities	48,117,047	40,767,145
- unquoted fixed income securities	67,108,836	54,294,219
	<u>176,498,914</u>	<u>152,259,110</u>
	<b>31.10.2023 RM</b>	<b>31.10.2022 RM</b>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain/(loss) on disposals	890,616	(1,798,180)
- unrealised loss on changes in fair value	(443,999)	(7,673,066)
- management fee rebate on collective investment schemes (foreign) *	44,745	89,932
	<u>491,362</u>	<u>(9,381,314)</u>

- \* 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 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.



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

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023</b>				
<b>COLLECTIVE INVESTMENT SCHEMES (FOREIGN)</b>				
Fidelity Funds - Asia Pacific Opportunities Fund I-Acc-USD	299,185	15,868,757	17,965,699	9.72
Fidelity Funds - Global Focus Fund I-Acc-USD	183,446	15,688,722	17,418,984	9.42
Schroder International Selection Fund Global Sustainable Growth Accumulation USD	10,983	15,467,237	17,149,375	9.27
Schroder International Selection Fund Sustainable Asian Equity C Accumulation USD	17,237	8,526,340	8,738,973	4.73
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES (FOREIGN)</b>	<b>510,851</b>	<b>55,551,056</b>	<b>61,273,031</b>	<b>33.14</b>
<b>ACCUMULATED UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES (FOREIGN)</b>		<b>5,721,975</b>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES (FOREIGN) AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>61,273,031</b>		

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023</b>				
<b>QUOTED SECURITIES</b>				
<b>ACE MARKET</b>				
<b>Health Care</b>				
Cengild Medical Berhad	687,500	354,118	230,313	0.12
<b>Industrial Products &amp; Services</b>				
Coraza Integrated Technology Berhad	250,000	266,401	138,750	0.08
<b>MAIN MARKET</b>				
<b>Construction</b>				
AME Elite Consortium Berhad - Warrant	7,700	-	885	-
Gamuda Berhad	200,000	773,246	928,000	0.50
Sunway Construction Group Berhad	105,200	185,466	200,932	0.11
	<b>312,900</b>	<b>958,712</b>	<b>1,129,817</b>	<b>0.61</b>



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

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Consumer Products &amp; Services</b>				
Carlsberg Brewery Malaysia Berhad	24,400	542,050	485,560	0.26
Farm Fresh Berhad	178,000	243,600	210,040	0.11
Genting Malaysia Berhad	500,000	1,456,651	1,210,000	0.65
Heineken Malaysia Berhad	41,300	978,857	984,592	0.53
MR D.I.Y. Group (M) Berhad	700,000	1,455,980	1,036,000	0.56
PPB Group Berhad	9,600	162,240	145,728	0.08
QL Resources Berhad	92,900	546,638	513,737	0.28
Sime Darby Berhad	565,200	1,326,755	1,294,308	0.70
	2,111,400	6,712,771	5,879,965	3.17
<b>Energy</b>				
Dialog Group Berhad	750,000	2,013,408	1,612,500	0.87
Velesto Energy Berhad	3,715,800	891,792	947,529	0.51
Yinson Holdings Berhad	201,100	460,378	492,695	0.27
	4,666,900	3,365,578	3,052,724	1.65
<b>Financial Services</b>				
AMMB Holdings Berhad	177,200	724,714	676,904	0.37
CIMB Group Holdings Berhad	600,000	3,038,412	3,426,000	1.85
Hong Leong Bank Berhad	70,000	1,252,252	1,358,000	0.73
Malayan Banking Berhad	592,100	5,228,095	5,340,742	2.89
Public Bank Berhad	876,900	3,605,324	3,647,904	1.97
RHB Bank Berhad	250,000	1,341,612	1,395,000	0.75
	2,566,200	15,190,409	15,844,550	8.56
<b>Health Care</b>				
IHH Healthcare Berhad	188,000	1,074,886	1,128,000	0.61
KPJ Healthcare Berhad	1,400,000	1,434,579	1,792,000	0.97
	1,588,000	2,509,465	2,920,000	1.58
<b>Industrial Products &amp; Services</b>				
Press Metal Aluminium Holdings Berhad	357,700	1,642,649	1,759,884	0.95
V.S. Industry Berhad	1,000,000	1,262,120	890,000	0.48
	1,357,700	2,904,769	2,649,884	1.43

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

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	Units	RM	RM	%
<b>31.10.2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Plantation</b>				
IOI Corporation Berhad	120,000	524,365	471,600	0.26
Kuala Lumpur Kepong Berhad	31,600	720,618	694,568	0.38
Sime Darby Plantation Berhad	200,000	868,466	868,000	0.47
	351,600	2,113,449	2,034,168	1.11
<b>Property</b>				
UEM Sunrise Berhad	132,000	106,631	104,940	0.06
<b>Real Estate Investment Trusts</b>				
Axis Real Estate Investment Trust	200,000	360,196	362,000	0.20
<b>Technology</b>				
CTOS Digital Berhad	140,700	199,888	204,015	0.11
D & O Green Technologies Berhad	377,400	1,786,346	1,237,872	0.67
Frontken Corporation Berhad	268,650	760,143	854,307	0.46
Greatech Technology Berhad	209,600	924,495	968,352	0.52
ITMax System Berhad	100,000	185,000	179,000	0.10
Malaysian Pacific Industries	10,700	260,044	275,418	0.15
MY E.G. Services Berhad	2,500,000	2,033,868	1,950,000	1.05
Pentamaster Corporation Berhad	165,600	756,878	828,000	0.45
Unisem (M) Berhad	142,700	443,782	422,392	0.23
	3,915,350	7,350,444	6,919,356	3.74
<b>Telecommunications &amp; Media</b>				
Maxis Berhad	50,000	214,370	211,500	0.11
Telekom Malaysia Berhad	400,000	2,372,829	2,028,000	1.10
TIME dotCom Berhad	85,700	358,332	455,924	0.25
	535,700	2,945,531	2,695,424	1.46



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

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	Units	RM	RM	%
<b>31.10.2023 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>MAIN MARKET (CONTINUED)</b>				
<b>Transportation &amp; logistics</b>				
Malaysia Airports Holdings Berhad	222,200	1,403,215	1,642,058	0.89
MISC Berhad	192,300	1,375,053	1,394,175	0.75
	414,500	2,778,268	3,036,233	1.64
<b>Utilities</b>				
Gas Malaysia Berhad	78,700	257,633	258,923	0.14
Petronas Gas Berhad	50,000	853,830	860,000	0.47
	128,700	1,111,463	1,118,923	0.61
<b>TOTAL QUOTED SECURITIES</b>	<b>19,218,450</b>	<b>49,028,205</b>	<b>48,117,047</b>	<b>26.02</b>
<b>ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(911,158)</b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>48,117,047</b>		



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

Name of counter	Quantity	Aggregate cost	Market value	Percentage of NAV
	Units	RM	RM	%
<b>31.10.2023 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<b>BONDS</b>				
AmBank (M) Berhad 15.11.2028 (Early call date: 15.11.2023)	500,000	511,597	511,782	0.28
AmBank (M) Berhad 28.03.2031 (Early call date: 30.03.2026)	3,000,000	3,011,338	2,995,828	1.62
AmBank (M) Berhad 27.06.2028	2,000,000	2,031,941	2,027,441	1.10
GENM Capital Berhad 31.03.2027	250,000	251,126	250,788	0.14
	5,750,000	5,806,002	5,785,839	3.14
<b>ISLAMIC BONDS</b>				
Amanat Lebuhraya Rakyat Berhad 13.10.2037	1,000,000	1,002,910	1,050,140	0.57
Cagamas Berhad 27.10.2033	1,000,000	1,000,590	994,170	0.54
CIMB Group Holdings Berhad 08.03.2028	2,200,000	2,202,577	2,203,325	1.19
Danainfra Nasional Berhad 03.05.2046	500,000	616,233	542,846	0.29
Danainfra Nasional Berhad 16.08.2052	2,000,000	2,019,932	2,079,372	1.12
Danum Capital Berhad 29.06.2029	750,000	761,924	776,969	0.42
Danum Capital Berhad 14.02.2034	3,000,000	3,206,423	3,092,608	1.67
Danum Capital Berhad 21.02.2035	1,250,000	1,258,433	1,143,420	0.62
DRB-Hicom Berhad 12.12.2029	1,000,000	1,019,841	999,761	0.54
Infracap Resources Sdn. Bhd. 13.04.2029	500,000	511,582	498,227	0.27
Johor Corporation 11.06.2027	3,500,000	3,597,051	3,568,717	1.93
Johor Corporation 06.07.2033	1,000,000	1,014,677	1,016,637	0.55
Johor Corporation 06.07.2038	1,000,000	1,015,518	1,023,958	0.55
Konsortium Prohawk Sdn. Bhd. 20.12.2024	1,290,000	1,319,070	1,329,292	0.72
Malayan Banking Berhad 31.01.2029 (Early call date: 31.01.2024)	500,000	505,898	506,909	0.27
Malayan Banking Berhad 31.01.2031 (Early call date: 30.01.2026)	500,000	506,000	511,225	0.28
Malayan Banking Berhad 22.02.2117 (Early call date: 25.09.2026)	2,000,000	2,008,373	1,993,373	1.08
Malaysia Airports Holdings Berhad 13.12.2024	200,000	206,088	207,028	0.11
Malaysia Airports Holdings Berhad 29.12.2028	750,000	760,549	759,581	0.41



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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2023 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
<b>ISLAMIC BONDS (CONTINUED)</b>				
Malaysia Airports Holdings Berhad 30.12.2031	750,000	760,829	755,076	0.41
MMC Port Holdings Sdn. Bhd. 08.04.2032	750,000	752,282	760,855	0.41
Northport (Malaysia) Bhd. 19.12.2024	900,000	922,553	936,981	0.51
Prasarana Malaysia Berhad 30.01.2048	2,000,000	2,023,492	2,023,072	1.09
RHB Islamic Bank Berhad 21.05.2029 (Early call date: 21.05.2024)	2,500,000	2,548,230	2,554,455	1.38
Telekom Malaysia Berhad 31.10.2028	250,000	258,131	255,075	0.14
TNB Power Generation Sdn. Bhd. 02.06.2037	500,000	510,515	535,255	0.29
TNB Power Generation Sdn. Bhd. 29.03.2038	1,000,000	1,004,222	1,013,282	0.55
TNB Power Generation Sdn. Bhd. 27.03.2043	1,000,000	1,004,376	1,022,156	0.55
	33,590,000	34,318,299	34,153,765	18.46
<b>GOVERNMENT SECURITIES</b>				
Government of Malaysia 30.04.2029	3,000,000	3,035,925	3,075,371	1.66
Government of Malaysia 15.04.2030	3,000,000	3,071,598	3,079,768	1.67
Government of Malaysia 30.09.2030	3,000,000	3,094,311	3,044,134	1.65
Government of Malaysia 15.07.2032	2,500,000	2,527,733	2,432,774	1.32
Government of Malaysia 31.03.2038	6,000,000	6,305,512	6,302,976	3.41
Government of Malaysia 08.06.2038	2,000,000	2,222,274	2,178,837	1.18
Government of Malaysia 14.08.2043	1,500,000	1,525,467	1,488,318	0.80
Government of Malaysia 15.06.2050	1,000,000	981,413	945,518	0.51
Government of Malaysia 15.05.2052	1,000,000	1,187,662	1,139,747	0.62
Government of Malaysia 31.03.2053	3,500,000	3,514,278	3,481,789	1.88
	26,500,000	27,466,173	27,169,232	14.70
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>65,840,000</b>	<b>67,590,474</b>	<b>67,108,836</b>	<b>36.30</b>
<b>ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(481,638)</b>		
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>67,108,836</b>		

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

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2022</b>				
<b>COLLECTIVE INVESTMENT SCHEME (FOREIGN)</b>				
Asia Pacific Opportunities Fund	339,303	17,668,655	17,719,199	10.41
Schroder International Selection Fund				
Global Sustainable Growth C				
Accumulation USD	12,178	17,054,681	17,014,119	10.00
Global Focus Fund I-ACC-USD	177,095	15,077,660	14,939,547	8.79
Sustainable Asian Eq C Usd ACC	15,790	7,779,505	7,524,881	4.42
<b>TOTAL COLLECTIVE INVESTMENT SCHEME (FOREIGN)</b>	<b>544,366</b>	<b>57,580,501</b>	<b>57,197,746</b>	<b>33.62</b>
<b>ACCUMULATED UNREALISED LOSS ON COLLECTIVE INVESTMENT SCHEME (FOREIGN)</b>				
		<b>(382,755)</b>		
<b>TOTAL COLLECTIVE INVESTMENT SCHEME (FOREIGN) AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<b>57,197,746</b>		
<b>31.10.2022</b>				
<b>QUOTED SECURITIES</b>				
<b>Construction</b>				
Ame Elite Consortium Berhad	97,300	92,382	126,249	0.07
IJM Corporation Berhad	513,500	959,414	837,005	0.49
Sunway Construction Group Berhad	132,600	233,772	201,552	0.12
	<b>743,400</b>	<b>1,285,568</b>	<b>1,164,806</b>	<b>0.68</b>
<b>Consumer Products &amp; Services</b>				
Carlsberg Brewery Malaysia Berhad	49,400	1,103,582	1,101,620	0.65
Farm Fresh Berhad	178,000	243,600	293,700	0.17
Genting Malaysia Berhad	461,841	1,348,661	1,265,444	0.74
Heineken Malaysia Berhad	95,500	2,260,453	2,206,050	1.30
Mr D.I.Y. Group (M) Berhad	600,000	1,293,700	1,212,000	0.71
PPB Group Berhad	11,700	197,730	195,390	0.11
Sime Darby Berhad	560,600	1,316,681	1,261,350	0.74
	<b>1,957,041</b>	<b>7,764,407</b>	<b>7,535,554</b>	<b>4.42</b>
<b>Energy</b>				
Dialog Group Berhad	329,800	987,057	679,388	0.40
Yinson Holdings Berhad.	201,100	460,378	426,332	0.25
	<b>530,900</b>	<b>1,447,435</b>	<b>1,105,720</b>	<b>0.65</b>

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

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>31.10.2022 (CONTINUED)</b>				
<b>QUOTED SECURITIES (CONTINUED)</b>				
<b>Financial Services</b>				
Bank Islam Malaysia Berhad	233,000	684,535	589,490	0.35
CIMB Group Holdings Berhad	400,000	1,897,803	2,208,000	1.30
Hong Leong Bank Berhad	120,000	2,123,413	2,539,200	1.49
Hong Leong Financial Group Berhad	20,700	354,211	394,956	0.23
Malayan Banking Berhad	351,660	3,040,738	3,020,759	1.77
Public Bank Bhd	800,000	3,251,524	3,576,000	2.11
Rhb Bank Berhad	250,000	1,339,821	1,430,000	0.85
	2,175,360	12,692,045	13,758,405	8.10
<b>Health Care</b>				
Cengild Medical Berhad	770,000	396,612	381,150	0.22
IHH Healthcare Berhad	208,200	1,190,379	1,238,790	0.73
	978,200	1,586,991	1,619,940	0.95
<b>Industrial Products &amp; Services</b>				
Press Metal Aluminium Holdings Berhad	150,000	640,098	652,500	0.38
Sunway Berhad	553,100	931,264	884,960	0.52
V.S. Industry Berhad	850,300	1,116,956	718,504	0.42
	1,553,400	2,688,318	2,255,964	1.33
<b>Plantation</b>				
IOI Corporation Berhad	145,200	634,481	592,416	0.35
Kuala Lumpur Kepong Berhad	20,069	473,784	435,096	0.26
Sime Darby Plantation Berhad	71,700	304,005	315,480	0.19
	236,969	1,412,270	1,342,992	0.79
<b>Property</b>				
Matrix Concepts Holdings Berhad	121,049	159,795	171,890	0.10
	121,049	159,795	171,890	0.10
<b>Real Estate Investment Trusts</b>				
Ame Real Estate Investment Trust	327,800	374,914	383,526	0.23
Axis Real Estate Investment Trust	393,451	708,598	735,753	0.43
IGB Real Estate Investment Trust	80,400	128,568	126,228	0.07
Sunway Real Estate Investment Trust	100,000	160,551	140,000	0.08
	901,651	1,372,631	1,385,507	0.81
<b>Technology</b>				
CTOS Digital Berhad	130,000	183,196	183,300	0.11
D & O Green Technologies Berhad	64,200	365,786	249,096	0.15
Frontken Corporation Berhad	142,050	319,269	348,023	0.20
Greotech Technology Berhad	79,900	299,614	259,675	0.15
Malaysian Pacific Industries Bhd	11,400	277,056	273,600	0.16
My E.G. Services Berhad	1,000,000	898,540	885,000	0.52
Pentamaster Corporation Berhad	65,550	271,303	254,334	0.15
Unisem (M) Berhad	150,000	466,742	397,500	0.23
	1,643,100	3,081,506	2,850,528	1.67

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

Name of counter	Quantity units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>Telecommunications &amp; Media</b>				
Axiata Group Berhad	260,648	1,132,161	742,847	0.44
Telekom Malaysia Berhad	450,000	2,669,433	2,502,000	1.47
Time Dotcom Berhad	50,000	171,359	227,500	0.13
	760,648	3,972,953	3,472,347	2.04
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holdings Berhad	140,200	830,781	838,396	0.49
Misc Berhad	150,000	1,069,342	1,084,500	0.64
Westports Holdings Berhad	89,500	328,644	300,720	0.18
	379,700	2,228,767	2,223,616	1.31
<b>Utilities</b>				
Gas Malaysia Berhad	78,700	257,633	265,219	0.16
Petronas Gas Berhad	50,000	853,830	855,000	0.50
Taliworks Corporation Berhad	839,400	688,278	759,657	0.45
	968,100	1,799,741	1,879,876	1.11
<b>TOTAL QUOTED SECURITIES</b>	<b>12,949,518</b>	<b>41,492,427</b>	<b>40,767,145</b>	<b>23.95</b>
<b>ACCUMULATED UNREALISED LOSS ON QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(725,282)</b>		
<b>TOTAL QUOTED SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>40,767,145</b>		

Name of issuer	Nominal Value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>31.10.2022</b>				
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<b>Bonds</b>				
AmBank (M) Berhad 15.11.2023	500,000	511,461	515,801	0.30
AmBank (M) Berhad 30.03.2026	3,000,000	3,010,994	2,934,764	1.72
CIMB Group Holdings Berhad 25.11.2024	1,000,000	1,016,877	1,007,217	0.59
Digi Telecommunications Sdn. Bhd. 20.09.2029	1,250,000	1,255,178	1,170,991	0.69
GENM Capital Berhad 31.03.2027	250,000	251,092	251,012	0.15
	6,000,000	6,045,602	5,879,785	3.45



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

Name of counter	Nominal Value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>31.10.2022 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
<b>Islamic Bonds</b>				
Aeon Credit Service (M) Berhad 10.02.2028	1,250,000	1,260,943	1,199,018	0.70
Amanat Lebuhraya Rakyat Berhad 13.10.2037	1,000,000	1,002,910	1,002,380	0.59
Aquasar Capital Sdn. Bhd. 18.07.2023	350,000	355,829	358,322	0.21
BGSM Management Sdn. Bhd. 27.12.2023	500,000	511,954	519,386	0.31
Danainfra Nasional Berhad 03.05.2046	500,000	619,020	506,128	0.30
Danainfra Nasional Berhad 16.08.2052	2,000,000	2,019,932	1,899,652	1.12
Danum Capital Berhad 14.02.2034	3,000,000	3,219,647	2,954,583	1.74
Danum Capital Berhad 21.02.2035	1,250,000	1,258,316	1,075,703	0.63
Danum Capital Berhad 29.06.2029	750,000	761,924	757,687	0.45
Dialog Group Berhad 16.11.2027	1,000,000	1,019,102	981,431	0.58
DRB-Hicom Berhad 12.12.2029	1,000,000	1,019,701	986,941	0.58
Infracap Resources Sdn. Bhd. 13.04.2029	500,000	513,253	486,559	0.29
Infracap Resources Sdn. Bhd. 15.04.2031	1,000,000	1,024,139	965,568	0.57
Infracap Resources Sdn. Bhd. 15.04.2032	750,000	779,485	724,379	0.43
Konsortium Prohawk Sdn. Bhd. 20.12.2024	1,290,000	1,323,383	1,331,652	0.78
Malayan Banking Berhad 25.09.2026	2,000,000	2,008,147	1,970,107	1.16
Malayan Banking Berhad 30.01.2026	500,000	506,129	507,989	0.30
Malayan Banking Berhad 31.01.2024	500,000	506,025	510,490	0.30
Malaysia Airports Holdings Berhad 13.12.2024	200,000	207,546	206,697	0.12
Malaysia Airports Holdings Berhad 29.12.2028	750,000	760,548	737,613	0.43
Malaysia Airports Holdings Berhad 30.12.2031	750,000	760,829	720,479	0.42
MMC Port Holdings Sdn. Bhd. 08.04.2032	750,000	752,084	722,384	0.42
Northport (Malaysia) Bhd. 19.12.2024	1,400,000	1,439,532	1,470,490	0.86
Pengurusan Air Spv Berhad 28.04.2028	1,500,000	1,504,602	1,440,931	0.85
Prasarana Malaysia Berhad 25.02.2050	1,250,000	1,258,849	1,001,962	0.59
RHB Islamic Bank Berhad 21.05.2024	2,500,000	2,547,934	2,554,659	1.50
Telekom Malaysia Berhad 28.11.2025	600,000	612,697	621,134	0.36
Telekom Malaysia Berhad 31.10.2028	250,000	259,567	249,430	0.15
TG Excellence Berhad 27.02.2025	500,000	508,006	494,493	0.29
Tnb Power Generation Sdn. Bhd. 02.06.2037	500,000	510,515	506,320	0.30
Westports Malaysia Sdn. Bhd. 03.04.2023	1,820,000	1,827,891	1,837,262	1.08
	31,910,000	32,660,439	31,301,829	18.41



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

Name of counter	Nominal Value RM	Adjusted cost RM	Market value RM	Percentage of NAV %
<b>31.10.2022 (CONTINUED)</b>				
<b>UNQUOTED FIXED INCOME SECURITIES (CONTINUED)</b>				
<b>Government Issued Investment</b>				
Government Of Malaysia 07.10.2032	2,500,000	2,515,507	2,455,951	1.44
Government Of Malaysia 15.10.2030	3,000,000	3,042,346	2,803,855	1.64
Government Of Malaysia 15.06.2050	1,500,000	1,471,107	1,319,577	0.77
Government Of Malaysia 15.07.2032	2,500,000	2,527,858	2,375,774	1.39
Government Of Malaysia 15.04.2031	3,900,000	3,724,858	3,400,251	2.00
Government Of Malaysia 30.04.2029	3,000,000	3,041,552	3,041,533	1.79
Government Of Malaysia 31.05.2035	1,750,000	1,851,110	1,715,664	1.01
	<b>18,150,000</b>	<b>18,174,338</b>	<b>17,112,605</b>	<b>10.04</b>
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>56,060,000</b>	<b>56,880,379</b>	<b>54,294,219</b>	<b>31.90</b>
<b>ACCUMULATED UNREALISED LOSS ON UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(2,586,160)</b>		
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>54,294,219</b>		

10. CASH AND CASH EQUIVALENTS

	31.10.2023 RM	31.10.2022 RM
Deposits with licensed financial institutions	3,540,291	15,109,088
Bank balances	4,659,715	1,853,166
	<b>8,200,006</b>	<b>16,962,254</b>

The effective weighted average interest rate per annum is as follows:

	31.10.2023 %	31.10.2022 %
Deposits with licensed financial institutions	<b>3.00</b>	<b>2.50</b>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 day (2022: 6 days).

Deposits with licensed financial institutions include interest receivable of RM573 (2022: RM756).



# 11. NUMBER OF UNITS IN CIRCULATION

	31.10.2023 Units	31.10.2022 Units
At beginning of the financial year	142,160,149	126,014,608
Add: Creation arising from applications	7,816,358	14,054,470
Add: Creation arising from distributions	3,330,650	2,721,430
Less: Cancellation of units	(7,433,742)	(3,275,948)
At end of the financial year	<u>145,873,415</u>	<u>139,514,560</u>

# 12. TOTAL EXPENSE RATIO (“TER”)

	31.10.2023 %	31.10.2022 %
TER	<u>0.80</u>	<u>0.76</u>

TER is derived based on the following calculation:

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

- A = Management fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = PPA administration fee
- F = Other expenses excluding Sales and Services Tax (“SST”) and withholding tax on transaction costs
- G = Custody fee
- H = Average NAV of the Fund calculation on a daily basis

The average NAV of the Fund for the financial period calculated on daily basis is RM186,666,960 (31.10.2022: RM165,331,967).

# 13. PORTFOLIO TURNOVER RATIO (“PTR”)

	31.10.2023	31.10.2022
PTR (times)	<u>0.22</u>	<u>0.25</u>

PTR is derived based on 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 period = RM39,925,538 (31.10.2022: RM45,267,956)

total disposal for the financial period = RM40,713,846 (2022: RM36,002,052)



#### 14. UNITS HELD BY THE PRS PROVIDER AND SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties	Relationship
AIA Pension and Asset Management Sdn.Bhd.	The PRS Provider
AIA Bhd.	Holding company of the PRS Provider
AIA Group Limited	Ultimate holding company of the PRS Provider

There were no units were held by the PRS Provider or parties related to the PRS provider.

The significant related party transactions during the financial period are as follows:

	31.10.2023 RM	31.10.2022 RM
AIA Pension and Asset Management Sdn. Bhd. Management fee expense	<u>1,407,766</u>	<u>1,250,294</u>

The significant related party balances as at the end of the financial year are as follows:

	31.10.2023 RM	31.10.2022 RM
AIA Pension and Asset Management Sdn. Bhd.		
Amount due from PRS Provider – creation of units	83,131	387,145
Amount due to PRS Provider – cancellation of units	668,068	168,935
Accrued management fee	<u>245,182</u>	<u>214,245</u>

## 15. TRANSACTIONS WITH BROKERS/DEALERS

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

Brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Citibank (M) Bhd	19,378,300	24.13	-	-
Hong Leong Bank Berhad	18,962,633	23.62	-	-
RHB Investment Bank Berhad	12,254,357	15.26	6,378	26.47
Schroder Investment Management (Singapore) Ltd	5,809,930	7.24%	-	-
FIL Investment Management (Singapore) Ltd	1,808,240	2.25%	-	-
CIMB Bank Berhad	6,325,040	7.88	-	-
Maybank Investment Bank Berhad	3,018,490	3.76	6,235	25.87
Affin Investment Berhad	2,413,695	3.01	4,876	20.23
CGS – CIMB Securities Sdn. Bhd	2,253,024	2.80	4,696	19.49
Malayan Banking Berhad	2,206,972	2.75	-	-
AmlInvestment Bank Berhad	2,007,786	2.50	40	0.17
Others	3,850,918	4.80	1,873	7.77
	80,289,385	100.00	24,098	100.00

Details of transactions with the top 10 brokers/dealers for the financial year ended 31 October 2022 are as follows:

Brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Schroder Investment Management (Singapore) Ltd	23,529,250	30.33	-	-
FIL Investment Management (Singapore) Ltd	19,403,000	25.01	-	-
RHB Investment Bank Berhad	4,975,114	6.41	6,355	12.52
Malayan Banking Berhad	4,541,640	5.85	-	-
CGS – CIMB Securities Sdn. Bhd	4,445,030	5.73	8,928	17.58
Credit Suisse Securities (Malaysia) Sdn. Bhd.	4,261,925	5.49	8,524	16.79
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	2,366,916	3.06	4,764	9.38
CIMB Bank Berhad	2,000,000	2.58	-	-
Kenanga Investment Bank Berhad	1,972,986	2.54	3,946	7.77
Hong Leong Investment Bank Berhad	1,822,365	2.35	3,678	7.24
Others	8,258,406	10.65	14,582	28.72
	77,576,632	100.00	50,777	100.00

## 16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the PRS Provider on 26 December 2023.