

Annual Report for

# AmPRS - Conservative Fund

31 August 2023



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **PRS Provider**

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

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
Tai Terk Lin  
Ng Chih Kaye  
Jas Bir Kaur A/P Lol Singh  
Goh Wee Peng

### **Investment Committee**

Jas Bir Kaur A/P Lol Singh  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Audit and Risk Management Committee**

Ng Chih Kaye  
Zainal Abidin Bin Mohd Kassim  
Tai Terk Lin  
Azian Binti Kassim

### **Trustee**

Deutsche Trustees Malaysia Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## PRS PROVIDER'S REPORT

Dear Members,

We are pleased to present you the PRS Provider's report and the audited accounts of AmPRS – Conservative Fund ("Fund") for the financial year ended 31 August 2023.

### Salient Information of the Fund

<b>Name</b>	AmPRS – Conservative Fund ("Fund")
<b>Category/Type</b>	Core (Conservative) / Growth
<b>Objective</b>	AmPRS – Conservative Fund aims to preserve* capital by investing primarily in fixed income securities and money market instruments.  <i>Note:</i> <i>* Please note that Members' capital is neither guaranteed nor protected. Any material change to the investment objective of the Fund would require Members' approval.</i>
<b>Performance Benchmark</b>	1-year Malayan Banking Berhad Conventional Fixed Deposit Rate ("MBB"). (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )
<b>Income Distribution Policy</b>	Subject to availability of income, distribution (if any) is incidental.  <i>Note: Income distribution (if any) will be in the form of units.</i>

### Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 August are as follows:			
		<b>As at 31 August</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
		%	%	%
	Collective investment schemes	-	-	0.34
	Commercial papers	-	-	23.34
	Corporate bonds	64.36	69.51	60.95
	Consumer discretionary	1.72	-	-
	Consumer staples	0.85	-	1.06
	Financials	3.62	1.48	1.51
	Industrials	2.36	1.79	4.32
	Information technology	-	2.29	3.12
	Materials	-	0.76	1.74
	Real estate	-	0.19	-
Telecommunication services	1.00	0.37	0.49	
Money market deposits and cash equivalents	26.09	23.61	3.13	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			

**Performance Details**

Performance details of the Fund for the financial years ended 31 August are as follows:

	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
<b>Net asset value (RM)</b>			
- Class D	6,099,426*	5,622,464	5,505,210
- Class I	19,330,616*	18,328,511	17,507,736
<b>Units in circulation</b>			
- Class D	10,110,784*	9,669,603	9,101,522
- Class I	32,018,632*	31,497,041	28,922,705
<b>Net asset value per unit (RM)</b>			
- Class D	0.6033*	0.5815	0.6049
- Class I	0.6037*	0.5819	0.6053
<b>Highest net asset value per unit (RM)</b>			
- Class D	0.6033*	0.6083	0.7054
- Class I	0.6037*	0.6087	0.7059
<b>Lowest net asset value per unit (RM)</b>			
- Class D	0.5767*	0.5809	0.6042
- Class I	0.5772*	0.5813	0.6047
<b>Benchmark performance (%)</b>			
- Class D	2.81	1.98	1.85
- Class I	2.81	1.98	1.85
<b>Total return (%)<sup>(1)</sup></b>			
- Class D	3.73	-1.39	1.36
- Class I	3.75	-1.39	1.35
<b>- Capital growth (%)</b>			
- Class D	3.73	-3.87	-13.02
- Class I	3.75	-3.87	-13.02
<b>- Income distribution (%)</b>			
- Class D	-	2.48	14.38
- Class I	-	2.48	14.37
<b>Gross distribution (sen per unit)</b>			
- Class D	-	1.50	10.00
- Class I	-	1.50	10.00
<b>Net distribution (sen per unit)</b>			
- Class D	-	1.50	10.00
- Class I	-	1.50	10.00
<b>Total expense ratio (%)<sup>(2)</sup></b>			
	1.15	1.15	1.04
<b>Portfolio turnover ratio (times)<sup>(3)</sup></b>			
	0.24	0.51	0.77

\* Above prices and net asset value per unit are not shown as ex-distribution.

Note:

- (1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.
- (3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The decrease in the PTR for 2023 and 2022 were due mainly to investing activities.

**Average Total Return (as at 31 August 2023)**

	<b>AmPRS-Conservative Fund<sup>(a)</sup></b> %	<b>MBB<sup>(b)</sup></b> %
<b>One year</b>		
- Class D	3.73	2.81
- Class I	3.75	2.81
<b>Three years</b>		
- Class D	1.21	2.21
- Class I	1.22	2.21
<b>Five years</b>		
- Class D	3.12	2.50
- Class I	3.14	2.50
<b>Ten years</b>		
- Class D	3.76	2.86
- Class I	3.77	2.86

**Annual Total Return**

<b>Financial Years Ended (31 August)</b>	<b>AmPRS-Conservative Fund<sup>(a)</sup></b> %	<b>MBB<sup>(b)</sup></b> %
<b>2023</b>		
- Class D	3.73	2.81
- Class I	3.75	2.81
<b>2022</b>		
- Class D	-1.39	1.98
- Class I	-1.39	1.98
<b>2021</b>		
- Class D	1.36	1.85
- Class I	1.35	1.85
<b>2020</b>		
- Class D	6.25	2.62
- Class I	6.31	2.62
<b>2019</b>		
- Class D	5.87	3.27
- Class I	5.85	3.27

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

b) 1-year Malayan Banking Berhad Conventional Fixed Deposit Rate ("MBB")  
(Available at [www.aminvest.com](http://www.aminvest.com))

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

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

**Fund Performance**

Class D

For the financial year under review, the Fund registered a return of 3.73% which is entirely capital growth in nature.

Thus, the Fund's return of 3.73% has outperformed the benchmark's return of 2.81% by 0.92%.

As compared with the financial year ended 31 August 2022, the net asset value (“NAV”) per unit of the Fund increased by 3.75% from RM0.5815 to RM0.6033, while units in circulation increased by 4.56% from 9,669,603 units to 10,110,784 units.

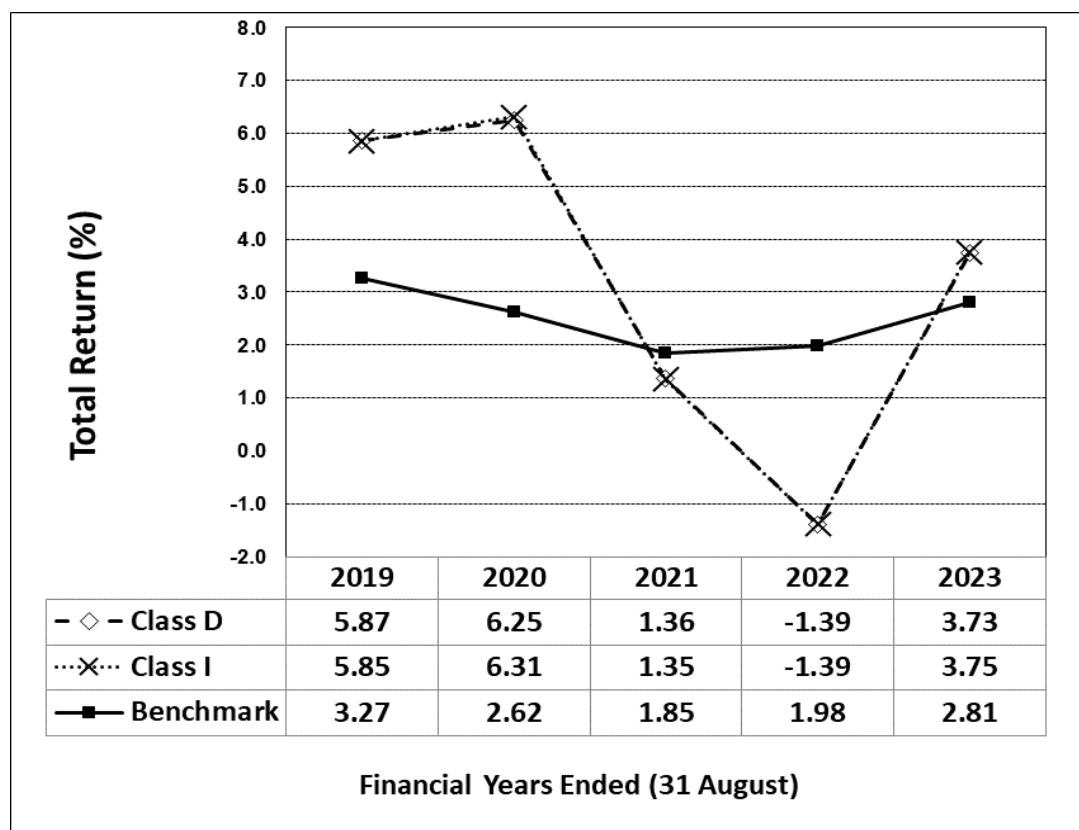
Class I

For the financial year under review, the Fund registered a return of 3.75% which is entirely capital growth in nature.

Thus, the Fund’s return of 3.75% has outperformed the benchmark’s return of 2.81% by 0.94%.

As compared with the financial year ended 31 August 2022, the net asset value (“NAV”) per unit of the Fund increased by 3.75% from RM0.5819 to RM0.6037, while units in circulation increased by 1.66% from 31,497,041 units to 32,018,632 units.

The following line chart shows comparison between the annual performances of AmPRS-Conservative Fund for Class D and Class I and its benchmark, MBB, for the financial years ended 31 August.



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

**Strategies and Policies Employed**

For the financial year under review, the Fund invested its asset into a well-diversified portfolio comprising Fixed income instruments, Liquid Assets, Equities and REITs.

The Fund will be restricted to investment in Malaysia and local currency investments. The Fund will not be invested in any RM-denominated foreign investments.

<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 August 2023 and 31 August 2022.</p> <table border="1" data-bbox="352 219 1465 741"> <thead> <tr> <th></th> <th>As at 31.08.2023 %</th> <th>As at 31.08.2022 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Corporate bonds</td> <td>64.36</td> <td>69.51</td> <td>-5.15</td> </tr> <tr> <td>Consumer discretionary</td> <td>1.72</td> <td>-</td> <td>1.72</td> </tr> <tr> <td>Consumer staples</td> <td>0.85</td> <td>-</td> <td>0.85</td> </tr> <tr> <td>Financials</td> <td>3.62</td> <td>1.48</td> <td>2.14</td> </tr> <tr> <td>Industrials</td> <td>2.36</td> <td>1.79</td> <td>0.57</td> </tr> <tr> <td>Information technology</td> <td>-</td> <td>2.29</td> <td>-2.29</td> </tr> <tr> <td>Materials</td> <td>-</td> <td>0.76</td> <td>-0.76</td> </tr> <tr> <td>Real estate</td> <td>-</td> <td>0.19</td> <td>-0.19</td> </tr> <tr> <td>Telecommunication services</td> <td>1.00</td> <td>0.37</td> <td>0.63</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>26.09</td> <td>23.61</td> <td>2.48</td> </tr> <tr> <td></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, investments in corporate bonds stood at 64.36%. Meanwhile, money market deposits and cash equivalents increased to 26.09% from 23.61%. There were some changes to equities' sector weights, most notable being the increase in consumer staples, financials, industrials and telecommunication services by 0.85%, 2.14%, 0.57% and 0.63% respectively.</p>		As at 31.08.2023 %	As at 31.08.2022 %	Changes %	Corporate bonds	64.36	69.51	-5.15	Consumer discretionary	1.72	-	1.72	Consumer staples	0.85	-	0.85	Financials	3.62	1.48	2.14	Industrials	2.36	1.79	0.57	Information technology	-	2.29	-2.29	Materials	-	0.76	-0.76	Real estate	-	0.19	-0.19	Telecommunication services	1.00	0.37	0.63	Money market deposits and cash equivalents	26.09	23.61	2.48		<b>100.00</b>	<b>100.00</b>	
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<b>Securities Lending / Repurchase Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").																																																
<b>Cross Trade</b>	There were no cross trades undertaken during the financial year under review.																																																
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial year under review.																																																
<b>State of Affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the members during the financial year under review.																																																
<b>Rebates and Soft Commission</b>	<p>During the year, the private retirement scheme provider received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to members of the Fund.</p> <p>The provider has soft commission arrangement with a total of 12 brokers, who execute trades for the Fund and other funds or investments managed by the provider. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to members of the Fund and other funds or investments managed by the provider.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>																																																



<b>Market Review</b>	<p>In 4Q2022, United States Treasuries (UST) experienced a significant sell off as United States (US) Federal Reserve aggressively raised interest rates. The rapid interest rate hikes by the US Federal Reserve raised concerns on potential recession, leading to an inverted yield curve. The US bond market remained volatile in 1H2023 due to frequent changes in market players' expectations regarding the health of the US economy. In Malaysia, the bond market was relatively resilient despite UST movements. This was supported by strong foreign inflows and expectations that Bank Negara Malaysia (BNM) is at the end of the current rate hike cycle after a 25bps hike in Overnight Policy Rate (OPR) to pre-pandemic level of 3.00% on 3 May. BNM kept the OPR unchanged at 3.00% during the July and September Monetary Policy Committee (MPC) meetings, as widely expected.</p> <p>Overall, the Malaysian government bonds bull flattened during the first nine-months of the fund's financial period, with yields declining by as much as 82bps in the long end part of the curve. However, this was reversed in September, as local fixed income market reacting to the sell-off in the United States Treasuries (UST). The MGS bear-steepened as rates rose 13-15bps month-on-month across the curve while UST yields rose at a higher magnitude of 24-49bps across the curve. Much of the movement was due to the prevailing hawkish guidance from the Federal Open Market Committee (FOMC) despite a no-hike decision in its September FOMC meeting as they forecasted a "higher for longer" interest rate path with fewer rate cuts next year than previously indicated.</p>
<b>Market Outlook</b>	<p>The slowing Gross Domestic Product (GDP) and falling Consumer Price Index (CPI) data will imply Bank Negara Malaysia (BNM) will remain on pause for the immediate future. On the external front, with the US Federal Reserve pause but being seemingly still hawkish, United States Treasury (UST) yields will remain elevated for the foreseeable future. With a stable Overnight Policy Rate (OPR), the steepening of the yield curve may see levels becoming attractive especially if BNM is not expected to raise rates further.</p>
<b>Additional Information</b>	<p>The following information was updated:</p> <ol style="list-style-type: none"> <li>1) En Izad Shahadi Bin Mohd Sallehuddin, an Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd ('AIFM'), has resigned from the Investment Committee with effect from 30 June 2023.</li> <li>2) Ms Tracy Chen Wee Keng, the Chief Executive Officer of AmInvestment Bank Berhad has been appointed as Member of the Investment Committee with effect from 30 June 2023.</li> <li>3) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AIFM and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023.</li> <li>4) The Second Supplementary Disclosure Document dated 31 August 2023 has been registered with the Securities Commission Malaysia. The issuance of the Second Supplementary Disclosure Document is to be in line with the revised Guidelines on Private Retirement Scheme. Notice of the changes for the Second Supplementary Disclosure Document dated 31 August 2023 has been published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the Members on 16 August 2023.</li> </ol>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 October 2023

**Independent auditors' report to the members of  
AmPRS – Conservative Fund**

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

*Opinion*

We have audited the financial statements of AmPRS – Conservative Fund (“the Fund”), which comprise the statement of financial position as at 31 August 2023, and the statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2023, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

*Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and other ethical responsibilities*

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

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

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

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

**Independent auditors' report to the members of  
AmPRS – Conservative Fund (cont'd.)**

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

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

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

*Responsibilities of the Provider and the Trustees for the financial statements*

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

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

The Trustee is responsible for ensuring that the Provider maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

*Auditor's responsibilities for the audit of the financial statements*

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

**Independent auditors' report to the members of  
AmPRS – Conservative Fund (cont'd.)**

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

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

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

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

**Independent auditors' report to the members of  
AmPRS – Conservative Fund (cont'd.)**

**Other matters**

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

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

Ng Sue Ean  
No. 03276/07/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
19 October 2023

**AmPRS – Conservative Fund**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
Investments	4	18,794,196	18,295,564
Amount due from Provider	5(a)	21,783	9,562
Dividend receivables		-	2,142
Deposits with licensed financial institutions	6	6,636,252	5,668,584
Cash at bank		12,681	11,126
<b>TOTAL ASSETS</b>		<u>25,464,912</u>	<u>23,986,978</u>
<b>LIABILITIES</b>			
Amount due to Provider	5(b)	24,386	22,256
Amount due to Trustee	7	864	838
Amount due to Private Pension Administrator ("PPA")	8	864	838
Sundry payables and accruals		8,756	12,071
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<u>34,870</u>	<u>36,003</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO MEMBERS</b>		<u>25,430,042</u>	<u>23,950,975</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS OF THE FUND COMPRISE:</b>			
Members' contribution	10(a)(b)	24,453,626	23,895,211
Retained earnings	10(c)(d)	976,416	55,764
		<u>25,430,042</u>	<u>23,950,975</u>
<b>NET ASSET VALUE</b>			
- Class D		6,099,426	5,622,464
- Class I		19,330,616	18,328,511
		<u>25,430,042</u>	<u>23,950,975</u>
<b>UNITS IN CIRCULATION</b>			
- Class D	10(a)	10,110,784	9,669,603
- Class I	10(b)	32,018,632	31,497,041
<b>NAV PER UNIT (RM)</b>			
- Class D		0.6033	0.5815
- Class I		<u>0.6037</u>	<u>0.5819</u>

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

## AmPRS – Conservative Fund

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Dividend income		82,357	60,521
Interest income		958,781	800,599
Net gain/(loss) from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	176,434	(896,638)
		<u>1,217,572</u>	<u>(35,518)</u>
<b>EXPENDITURE</b>			
Management fee	5	(248,321)	(233,249)
Trustee’s fee	7	(9,933)	(9,334)
PPA administrative fee	8	(9,931)	(9,334)
Audit fee		(5,000)	(5,000)
Tax agent’s fee		(3,000)	(3,000)
Brokerage and other transaction fees		(13,178)	(15,998)
Other expenses		(7,557)	(7,611)
		<u>(296,920)</u>	<u>(283,526)</u>
<b>Net income/(loss) before finance cost and taxation</b>		920,652	(319,044)
Finance cost – distribution to members			
– Class D	13(a)	-	(141,153)
– Class I	13(b)	-	(460,571)
	10(c)	-	<u>(601,724)</u>
<b>Net income/(loss) before taxation</b>		920,652	(920,768)
<b>Taxation</b>	12	-	-
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year</b>		<u>920,652</u>	<u>(920,768)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income/(loss)	10(c)	343,878	(40,506)
Unrealised gain/(loss)	10(d)	576,774	(880,262)
		<u>920,652</u>	<u>(920,768)</u>
<b>Distribution for the financial year</b>			
Net distribution	10(c)	-	<u>601,724</u>

**AmPRS – Conservative Fund**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (CONT'D.)**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
Gross distribution per unit (sen)			
- Class D	13(a)	-	1.5000
- Class I	13(b)	-	1.5000
Net distribution per unit (sen)			
- Class D	13(a)	-	1.5000
- Class I	13(b)	-	1.5000

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



## AmPRS – Conservative Fund

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	Members' contribution – Class D RM	Members' contribution – Class I RM	Retained earnings RM	Total RM
At 1 September 2022		5,601,398	18,293,813	55,764	23,950,975
Total comprehensive income for the financial year		-	-	920,652	920,652
Creation of units	10(a)(b)	640,958	2,707,363	-	3,348,321
Cancellation of units	10(a)(b)	(384,622)	(2,405,284)	-	(2,789,906)
Balance at 31 August 2023		<u>5,857,734</u>	<u>18,595,892</u>	<u>976,416</u>	<u>25,430,042</u>
At 1 September 2021		5,263,512	16,772,902	976,532	23,012,946
Total comprehensive loss for the financial year		-	-	(920,768)	(920,768)
Creation of units	10(a)(b)	672,316	2,320,364	-	2,992,680
Reinvestment of distributions	10(a)(b) 13(a)(b)	141,153	460,571	-	601,724
Cancellation of units	10(a)(b)	(475,583)	(1,260,024)	-	(1,735,607)
Balance at 31 August 2022		<u>5,601,398</u>	<u>18,293,813</u>	<u>55,764</u>	<u>23,950,975</u>

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

**AmPRS – Conservative Fund****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

	Note	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		5,686,648	13,994,008
Proceeds from maturity of deposits with licensed financial institutions		1,100,000	4,700,000
Purchase of investments		(6,060,118)	(16,145,716)
Dividend/distribution received		84,499	59,889
Interest received		1,020,355	752,535
Management fee paid		(246,191)	(231,449)
Trustee's fee paid		(9,907)	(9,274)
PPA administrative fee paid		(9,905)	(9,274)
Tax agent's fee paid		(3,000)	(3,000)
Payments for other expenses		(29,050)	(24,832)
Net cash generated from operating and investing activities		<u>1,533,331</u>	<u>3,082,887</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		3,336,100	2,987,644
Payments for cancellation of units		(2,789,906)	(1,743,901)
Net cash generated from financing activities		<u>546,194</u>	<u>1,243,743</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,079,525	4,326,630
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>4,569,408</u>	<u>242,778</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<u><u>6,648,933</u></u>	<u><u>4,569,408</u></u>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	6	6,636,252	4,558,282
Cash at bank		12,681	11,126
		<u><u>6,648,933</u></u>	<u><u>4,569,408</u></u>

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

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 1. GENERAL INFORMATION

AmPRS – Conservative Fund (“the Fund”) was established pursuant to a Deed dated 4 December 2012 as amended by Deeds supplemental thereto (“the Deed”), between AmFunds Management Berhad as the PRS Provider (“the Provider”), Deutsche Trustees Malaysia Berhad as the Trustee and all members.

The Fund aims to preserve capital by investing primarily in fixed income securities and money market instruments. As provided in the Deed, the financial year shall end on 31 August and the units in the Fund were first offered for sale on 8 April 2013.

The financial statements were authorised for issue by the Provider on 19 October 2023.

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

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

##### Standards effective during the financial year

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

Description	Effective for financial periods beginning on or after
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i> )*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i> )*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> )	1 January 2022
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i> )*	1 January 2022

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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

##### Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting</i> <i>Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to</i> <i>Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and</i> <i>Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements:</i> <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution</i> <i>of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 3.1 Income recognition

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

(i) Dividend income

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

## **AmPRS – Conservative Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

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

###### **(ii) Interest income**

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

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

###### **(iii) Gain or loss on disposal of investments**

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

##### **3.2 Income tax**

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

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

##### **3.3 Functional and presentation currency**

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

## **AmPRS – Conservative Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

##### **3.4 Statement of cash flows**

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

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

##### **3.5 Members' contribution**

The members' contribution of the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of members is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liability.

The Fund issues cancellable units in two classes for which further details are disclosed in Note 10.

##### **3.6 Distribution**

Distributions are at the discretion of the Provider. A distribution to the Fund's members is accounted for as a deduction from the retained earnings and realised income in the current period as finance cost - distribution to members and recognised in the statement of comprehensive income, as the members' contribution are classified as financial liability as per Note 3.5. Realised income is the income earned from dividend income, interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the members on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

##### **3.7 Financial assets – initial recognition and measurement**

###### **(i) Initial recognition**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

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

(ii) Initial measurement

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

(iii) “Day 1” profit or loss

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

**3.8 Financial assets – classification and subsequent measurement**

(i) Equity instruments and collective investment schemes (“CIS”)

The Fund subsequently measures its investments in equity investments and CIS at FVTPL. Dividends/Distributions earned whilst holding the investments are recognised in profit or loss when the right to the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

(ii) Debt instruments

The classification and subsequent measurement of debt instruments held by the Fund are determined based on their business model and cash flow characteristics.

*Business model*

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

**3.8 Financial assets – classification and subsequent measurement (cont'd.)**

(ii) Debt instruments (cont'd.)

*Cash flow characteristics*

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

**3.9 Financial assets under MFRS 9**

*Classification and measurement*

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

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

*Financial assets at amortised cost*

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



## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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

##### 3.9 Financial assets under MFRS 9 (cont'd.)

###### *Classification and measurement (cont'd.)*

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

###### *Financial assets at FVOCI*

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

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

###### *Financial assets at FVTPL*

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

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

##### 3.10 Financial liabilities – classification and subsequent measurement

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

**3.11 Derecognition of financial instruments**

(i) Derecognition of financial asset

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

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

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

(ii) Derecognition of financial liability

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

**3.13 Determination of fair value**

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

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

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

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

**3.15 Significant accounting estimates and judgments**

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

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

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

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 4. INVESTMENTS

	Note	2023 RM	2022 RM
<b>Financial assets at FVTPL</b>			
Unquoted fixed income securities	(a)	16,367,154	16,648,664
Quoted equity securities	(b)	2,427,042	1,646,900
		<u>18,794,196</u>	<u>18,295,564</u>

Details of investments as at 31 August 2023 are as follows:

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>(a) Unquoted fixed income securities</b>						
<b>Corporate bonds</b>						
23.10.2023	CIMB Group Holdings Berhad	A	1,500,000	1,531,882	1,528,627	6.02
14.06.2024	Hong Leong Financial Group Berhad	AA	1,000,000	1,012,187	1,009,307	3.98
12.12.2024	DRB-HICOM Berhad	A	1,500,000	1,520,336	1,515,146	5.98
27.02.2025	TG Excellence Berhad	A	1,000,000	983,093	1,000,433	3.87
19.09.2025	UEM Sunrise Berhad	AA	1,000,000	1,004,016	1,019,287	3.95
28.08.2026	MTT Shipping Sdn. Bhd	AA	1,500,000	1,500,413	1,500,428	5.90
21.12.2026	MBSB Bank Berhad	A	1,000,000	1,029,830	1,010,500	4.05
05.03.2027	Point Zone (M) Sdn. Bhd.	AA	200,000	205,914	204,184	0.81
16.11.2027	Dialog Group Berhad	A	1,000,000	984,219	1,012,280	3.87
20.04.2028	UMW Holdings Berhad	AA	500,000	549,486	555,859	2.16

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>(a) Unquoted fixed income securities (cont'd.)</b>						
<b>Corporate bonds (cont'd.)</b>						
11.07.2028	GENM Capital Berhad	AA	1,000,000	1,020,451	1,012,724	4.01
06.04.2029	MMC Port Holdings Sdn. Bhd.	AA	400,000	414,294	407,354	1.63
20.04.2029	S P Setia Berhad	AA	600,000	622,383	609,903	2.45
11.01.2030	Projek Lebuhraya Usahasama Berhad	AAA	500,000	516,265	503,200	2.03
03.05.2030	GENM Capital Berhad	AA	300,000	307,231	305,233	1.21
02.06.2032	TNB Power Generation Sdn. Bhd.	AAA	500,000	526,919	505,859	2.07
12.01.2033	Projek Lebuhraya Usahasama Berhad	AAA	700,000	732,814	711,095	2.88
22.02.2033	Petroleum Sarawak Exploration & Production Sdn. Bhd.	AAA	250,000	255,019	251,273	1.00
02.06.2037	TNB Power Generation Sdn. Bhd.	AAA	500,000	547,265	506,295	2.15
06.10.2037	Solarpack Suria Sungai Petani Sdn. Bhd.	AA	500,000	530,425	515,498	2.09

AmPRS – Conservative Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Maturity date	Issuer	Credit rating	Nominal value RM	Fair value RM	Adjusted cost RM	Fair value as a percentage of NAV %
<b>(a) Unquoted fixed income securities (cont'd.)</b>						
<b>Corporate bonds (cont'd.)</b>						
28.06.2047	Tenaga Nasional Berhad	AAA	500,000	572,712	522,912	2.25
<b>Total corporate bonds</b>			<b>15,950,000</b>	<b>16,367,154</b>	<b>16,207,397</b>	<b>64.36</b>
<b>Total unquoted fixed income securities</b>			<b>15,950,000</b>	<b>16,367,154</b>	<b>16,207,397</b>	<b>64.36</b>
Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %		
<b>(b) Quoted equity securities</b>						
<b>Consumer Discretionary</b>						
Genting Berhad	100,000	437,000	446,159	1.72		
<b>Consumer Staples</b>						
QL Resources Berhad	40,000	216,000	213,464	0.85		
<b>Financials</b>						
CIMB Group Holdings Berhad	54,000	304,020	311,545	1.20		
Hong Leong Bank Berhad	5,700	113,772	114,798	0.45		
Malayan Banking Berhad	31,000	282,410	268,419	1.11		
Public Bank Bhd	25,500	107,865	104,338	0.42		
RHB Bank Berhad	20,000	112,200	116,400	0.44		
	<b>136,200</b>	<b>920,267</b>	<b>915,500</b>	<b>3.62</b>		
<b>Industrials</b>						
Frontken Corporation Berhad	59,250	207,375	193,704	0.82		
Malaysia Airports Holdings Berhad	35,000	257,950	233,253	1.01		
UWC Berhad	38,700	135,450	190,488	0.53		
	<b>132,950</b>	<b>600,775</b>	<b>617,445</b>	<b>2.36</b>		

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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

Details of investments as at 31 August 2023 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>Telecommunication Services</b>				
TIME dotCom Berhad	46,000	253,000	231,539	1.00
<b>Total quoted equity securities</b>	<b>455,150</b>	<b>2,427,042</b>	<b>2,424,107</b>	<b>9.55</b>
<b>Total financial assets at FVTPL</b>		<b>18,794,196</b>	<b>18,631,504</b>	<b>73.91</b>
<b>Excess of fair value over purchased/ adjusted cost</b>		<b>162,692</b>		

The weighted average effective yield on investments are as follows:

	Effective yield	
	2023	2022
	%	%
Corporate bonds	4.53	4.42

Analysis of the remaining maturity of investments as at 31 August 2023 and 31 August 2022 are as follows:

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
<b>2023</b>			
At nominal value:			
Corporate bonds	2,500,000	8,700,000	4,750,000
<b>2022</b>			
At nominal value:			
Corporate bonds	2,900,000	8,450,000	5,000,000

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 5. AMOUNT DUE FROM/TO PROVIDER

	Note	2023 RM	2022 RM
<b>(a) Due from Provider</b>			
Creation of units	(i)	<u>21,783</u>	<u>9,562</u>
<b>(b) Due to Provider</b>			
Management fee payable	(ii)	<u>24,386</u>	<u>22,256</u>

(i) The amount represents amount receivable from the Provider for units created.

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

(ii) Management fee is at a rate of 1.00% (2022: 1.50%) per annum for Class D and 1.00% (2022: 1.25%) per annum for Class I on the NAV of the Fund, calculated on a daily basis.

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

#### 6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	2023 RM	2022 RM
At nominal value:		
Fixed deposit	-	1,100,000
Short term deposits	<u>6,624,000</u>	<u>4,557,000</u>
	<u>6,624,000</u>	<u>5,657,000</u>
At carrying value:		
Fixed deposit	-	1,110,302
Short term deposits	<u>6,636,252</u>	<u>4,558,282</u>
	<u>6,636,252</u>	<u>5,668,584</u>



## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 6. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS (CONT'D.)

Details of deposits with licensed financial institutions are as follows:

<b>Maturity date</b>	<b>Financial Institutions</b>	<b>Nominal value RM</b>	<b>Carrying value RM</b>	<b>Carrying value as a percentage of NAV %</b>
<b>2023</b>				
<b>Short-term deposits</b>				
01.09.2023	Hong Leong Bank Berhad	924,000	924,152	3.63
10.11.2023	AmBank Berhad*	3,200,000	3,206,996	12.61
10.11.2023	Public Bank Berhad	2,000,000	2,004,315	7.88
15.11.2023	CIMB Bank Berhad	500,000	500,789	1.97
		<u>6,624,000</u>	<u>6,636,252</u>	<u>26.09</u>
<b>Total deposits</b>		<u>6,624,000</u>	<u>6,636,252</u>	<u>26.09</u>

\* A licensed financial institution related to the Provider.

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

	<b>Weighted average effective interest rate</b>		<b>Weighted average remaining maturities</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>	<b>Days</b>	<b>Days</b>
Fixed deposit	-	2.15	-	27
Short-term deposits	<u>3.66</u>	<u>2.56</u>	<u>55</u>	<u>19</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (2022: 0.04%) per annum for both Class D and Class I on the NAV of the Fund, calculated on a daily basis.

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

#### 8. AMOUNT DUE TO PPA

PPA administrative fee is at a rate of 0.04% (2022: 0.04%) per annum for both Class D and Class I on the NAV of the Fund, calculated on a daily basis.

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

#### 9. NET GAIN/(LOSS) FROM INVESTMENTS

	2023 RM	2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised losses on sale of investments	(400,340)	(16,376)
– Net unrealised gain/(loss) on changes in fair value of investments	576,774	(880,262)
	<u>176,434</u>	<u>(896,638)</u>

#### 10. NAV ATTRIBUTABLE TO MEMBERS

Total NAV attributable to members is represented by:

	Note	2023 RM	2022 RM
Members' contribution - Class D	(a)	5,857,734	5,601,398
Members' contribution - Class I	(b)	18,595,892	18,293,813
Retained earnings			
– Realised income	(c)	813,724	469,846
– Unrealised gain/(loss)	(d)	162,692	(414,082)
		<u>25,430,042</u>	<u>23,950,975</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 10. NAV ATTRIBUTABLE TO MEMBERS (CONT'D.)

The Fund issues cancellable units in two classes as detailed below:

Classes of units	Currency denomination	Category of investors	Distribution policy
Class D	RM	Distributor appointed by the PRS Provider	Incidental
Class I	RM	Employer-Sponsored Retirement Scheme and also employees of any employers with prior arrangement with the PRS Provider	Incidental

The different charges and features for each class are as follows:

- (i) Sales charge
- (ii) Management fee charges

#### (a) Members' contribution/units in circulation – Class D

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	9,669,603	5,601,398	9,101,522	5,263,512
Creation during the financial year	1,093,817	640,958	1,117,806	672,316
Reinvestment of distribution	-	-	242,990	141,153
Cancellation during the financial year	(652,636)	(384,622)	(792,715)	(475,583)
At end of the financial year	<u>10,110,784</u>	<u>5,857,734</u>	<u>9,669,603</u>	<u>5,601,398</u>

#### (b) Members' contribution/units in circulation – Class I

	2023		2022	
	Number of units	RM	Number of units	RM
At beginning of the financial year	31,497,041	18,293,813	28,922,705	16,772,902
Creation during the financial year	4,574,488	2,707,363	3,882,597	2,320,364
Reinvestment of distribution	-	-	792,312	460,571
Cancellation during the financial year	(4,052,897)	(2,405,284)	(2,100,573)	(1,260,024)
At end of the financial year	<u>32,018,632</u>	<u>18,595,892</u>	<u>31,497,041</u>	<u>18,293,813</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 10. NAV ATTRIBUTABLE TO MEMBERS (CONT'D.)

##### (c) Realised – distributable

	2023 RM	2022 RM
At beginning of the financial year	469,846	510,352
Realised income for the financial year	343,878	561,218
Finance cost – distribution to members	-	(601,724)
Net realised income/(loss) for the financial year	343,878	(40,506)
At end of the financial year	813,724	469,846

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

	2023 RM	2022 RM
At beginning of the financial year	(414,082)	466,180
Net unrealised gain/(loss) for the financial year	576,774	(880,262)
At end of the financial year	162,692	(414,082)

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

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

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Provider
AmInvestment Bank Berhad	Holding company of the Provider
AMMB Holdings Berhad (“AMMB”)	Ultimate holding company of the Provider
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Provider

There were no units held by the Provider or any related party as at 31 August 2023 and 31 August 2022.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions as at reporting date are as follows:

	2023 RM	2022 RM
<b>Significant related party transactions</b>		
<u>AmBank (M) Berhad</u>		
Interest income	11,032	22,576

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 12. TAXATION

Pursuant to Paragraph 20 of Schedule 6 to the Income Tax Act (“ITA”), any income received by an approved scheme as defined under Section 2 of the ITA is exempted from income tax.

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

	2023 RM	2022 RM
Net income/(loss) before taxation	920,652	(920,768)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	220,956	(220,984)
Tax effects of:		
Income not subject to tax	(388,302)	(206,668)
Loss not allowed for tax deduction	96,085	215,193
Restriction on tax deductible expenses	54,717	51,786
Non-permitted expenses for tax purposes	10,464	154,919
Permitted expenses not used and not available for future financial years	6,080	5,754
Tax expense for the financial year	-	-

#### 13. DISTRIBUTION

No distribution has been declared to members during the current financial year.

Distribution to members for the previous financial year are from the following sources:

##### (a) Class D

	2022 RM
Undistributed net income brought forward	5,563
Dividend income	14,207
Interest income	187,940
	207,710
Less: Expenses	(66,557)
Total amount of distribution	141,153
Gross distribution per unit (sen):	1.50
Net distribution per unit (sen):	1.50
Distribution made out of:	
– Realised income	141,153

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 13. DISTRIBUTION (CONT'D.)

Distribution to members for the previous financial year are from the following sources:  
(cont'd.)

##### (a) Class D (cont'd.)

	<b>2022</b>
	<b>RM</b>
Comprising:	
Reinvestment of distribution [Note 10(a)]	<u>141,153</u>

##### (b) Class I

	<b>2022</b>
	<b>RM</b>
Undistributed net income brought forward	18,567
Dividend income	46,314
Interest income	612,659
	<u>677,540</u>
Less: Expenses	(216,969)
Total amount of distribution	<u>460,571</u>
Gross distribution per unit (sen):	<u>1.50</u>
Net distribution per unit (sen):	<u>1.50</u>
Distribution made out of:	
– Realised income	<u>460,571</u>
Comprising:	
Reinvestment of distribution [Note 10(b)]	<u>460,571</u>

Details of distribution to members for the previous financial year are as follows:

#### Financial year ended 31 August 2022

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
<b>(a) Class D</b>			
24 August 2022	<u>1.50</u>	<u>1.50</u>	<u>141,153</u>
<b>(b) Class I</b>			
24 August 2022	<u>1.50</u>	<u>1.50</u>	<u>460,571</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 13. DISTRIBUTION (CONT'D.)

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Included in the distribution for the financial year ended 31 August 2022 was RM24,130 distributed from previous financial years' realised income.

The distribution declared for the financial year ended 31 August 2022 has been proposed before taking into account the net unrealised loss of RM880,262 arising during the financial year which is carried forward to the next financial year.

#### 14. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2023 % p.a.	2022 % p.a.
Management fee	1.00	1.00
Trustee's fee	0.04	0.04
PPA administrative fee	0.04	0.04
Fund's other expenses	0.07	0.07
Total TER	<u>1.15</u>	<u>1.15</u>

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

#### 15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.24 times (2022: 0.51 times).

#### 16. SEGMENTAL REPORTING

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

- A portfolio of equity instruments;
- A portfolio of CIS; and
- A portfolio of unquoted fixed income instruments, including deposits with licensed financial institutions.

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 16. SEGMENTAL REPORTING (CONT'D.)

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

	Equity portfolio RM	CIS portfolio RM	Fixed income portfolio RM	Total RM
<b>2023</b>				
Dividend income	82,357	-	-	82,357
Interest income	-	-	958,781	958,781
Net gains from investments:				
- Financial assets at FVTPL	12,356	-	164,078	176,434
Total segment investment income for the financial year	<u>94,713</u>	<u>-</u>	<u>1,122,859</u>	<u>1,217,572</u>
Financial assets at FVTPL	2,427,042	-	16,367,154	18,794,196
Deposits with licensed financial institutions	-	-	6,636,252	6,636,252
Total segment assets	<u>2,427,042</u>	<u>-</u>	<u>23,003,406</u>	<u>25,430,448</u>
<b>2022</b>				
Dividend income	60,521	-	-	60,521
Interest income	-	-	800,599	800,599
Net losses from investments:				
- Financial assets at FVTPL	(608,744)	(836)	(287,058)	(896,638)
Total segment investment income for the financial year	<u>(548,223)</u>	<u>(836)</u>	<u>513,541</u>	<u>(35,518)</u>
Financial assets at FVTPL	1,646,900	-	16,648,664	18,295,564
Dividend receivables	2,142	-	-	2,142
Deposits with licensed financial institutions	-	-	5,668,584	5,668,584
Total segment assets	<u>1,649,042</u>	<u>-</u>	<u>22,317,248</u>	<u>23,966,290</u>

There were no segment liabilities as at 31 August 2023 and 31 August 2022.



## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 16. SEGMENTAL REPORTING (CONT'D.)

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net reportable segment investment income/(loss)	1,217,572	(35,518)
Less: Expenses	<u>(296,920)</u>	<u>(283,526)</u>
Net income/(loss) before taxation	920,652	(319,044)
Finance cost – distribution to members	-	(601,724)
Taxation	-	-
Net income/(loss) after taxation	<u>920,652</u>	<u>(920,768)</u>

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Total segment assets	25,430,448	23,966,290
Amount due from Provider	21,783	9,562
Cash at bank	<u>12,681</u>	<u>11,126</u>
Total assets of the Fund	<u>25,464,912</u>	<u>23,986,978</u>
Amount due to Provider	24,386	22,256
Amount due to Trustee	864	838
Amount due to PPA	864	838
Sundry payables and accruals	<u>8,756</u>	<u>12,071</u>
Total liabilities of the Fund	<u>34,870</u>	<u>36,003</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 17. TRANSACTIONS WITH THE PROVIDER AND FINANCIAL INSTITUTIONS

Details of transactions with the Provider and financial institutions for the financial year ended 31 August 2023 are as follows:

Provider/Financial institutions	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
Hong Leong Bank Berhad	294,791,225	85.03	-	-
CIMB Bank Berhad	27,141,853	7.83	-	-
Public Bank Bhd	15,600,000	4.50	-	-
AmBank (M) Berhad*	5,104,146	1.47	-	-
RHB Investment Bank Berhad	2,092,159	0.60	5,190	39.39
Maybank Investment Bank Berhad	1,062,434	0.31	5,053	38.35
Malayan Banking Berhad	251,000	0.07	-	-
Affin Investment Berhad	199,836	0.06	963	7.30
AmInvestment Bank Berhad*	167,781	0.05	758	5.75
Public Investment Bank Berhad	149,844	0.04	646	4.90
Other financial institutions	131,587	0.04	568	4.31
Total	<u>346,691,865</u>	<u>100.00</u>	<u>13,178</u>	<u>100.00</u>

\* Financial institutions related to the Provider.

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

The above transactions were in respect of listed securities, fixed income securities and money market deposits. Transactions in fixed income securities and money market deposits do not involve any commission or brokerage.

#### 18. FINANCIAL INSTRUMENTS

##### (a) Classification of financial instruments

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

**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023</b>				
<b>Assets</b>				
Investments	18,794,196	-	-	18,794,196
Amount due from Provider	-	21,783	-	21,783
Deposits with licensed financial institutions	-	6,636,252	-	6,636,252
Cash at bank	-	12,681	-	12,681
Total financial assets	<u>18,794,196</u>	<u>6,670,716</u>	<u>-</u>	<u>25,464,912</u>
<b>Liabilities</b>				
Amount due to Provider	-	-	24,386	24,386
Amount due to Trustee	-	-	864	864
Amount due to Private Pension Administrator (“PPA”)	-	-	864	864
Total financial liabilities	<u>-</u>	<u>-</u>	<u>26,114</u>	<u>26,114</u>
<b>2022</b>				
<b>Assets</b>				
Investments	18,295,564	-	-	18,295,564
Amount due from Provider	-	9,562	-	9,562
Deposits with licensed financial institutions	-	5,668,584	-	5,668,584
Dividend receivables	-	2,142	-	2,142
Cash at bank	-	11,126	-	11,126
Total financial assets	<u>18,295,564</u>	<u>5,691,414</u>	<u>-</u>	<u>23,986,978</u>
<b>Liabilities</b>				
Amount due to Provider	-	-	22,256	22,256
Amount due to Trustee	-	-	838	838
Amount due to Private Pension Administrator (“PPA”)	-	-	838	838
Total financial liabilities	<u>-</u>	<u>-</u>	<u>23,932</u>	<u>23,932</u>

**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

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

	<b>Income, expenses, gains and losses</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) from financial assets at FVTPL	176,434	(896,638)
Income, of which derived from:		
– Dividend income from financial assets at FVTPL	82,357	60,521
– Interest income from financial assets at FVTPL	733,452	718,121
– Interest income from financial assets at amortised cost	<u>225,329</u>	<u>82,478</u>

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

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

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

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

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

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

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

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2023</b>				
Financial assets at FVTPL	<u>2,427,042</u>	<u>16,367,154</u>	<u>-</u>	<u>18,794,196</u>
<b>2022</b>				
Financial assets at FVTPL	<u>1,646,900</u>	<u>16,648,664</u>	<u>-</u>	<u>18,295,564</u>

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 18. FINANCIAL INSTRUMENTS (CONT'D.)

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

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

- Dividend receivables
- Amount due from/to Provider
- Deposits with licensed financial institutions
- Cash at bank
- Amount due to Trustee
- Amount due to PPA

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

#### 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

**(a) Market risk**

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

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

**(i) Price risk**

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

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (a) Market risk (cont'd.)

##### (i) Price risk (cont'd.)

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

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2023 RM	2022 RM
-5.00%	(121,352)	(82,345)
+5.00%	121,352	82,345

##### (ii) Interest rate risk

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

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

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

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2023 RM	2022 RM
+100bps	(604,579)	(481,955)
-100bps	684,745	544,837

##### (b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to short-term deposits and dividends/distributions receivable. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investments to fluctuate in value.

**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

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

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

The following table analyses the Fund's portfolio of debt securities by rating category as at 31 August 2023 and 31 August 2022:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>2023</b>			
AAA	3,150,994	19.25	12.38
AA	7,166,800	43.79	28.19
A	6,049,360	36.96	23.79
	<u>16,367,154</u>	<u>100.00</u>	<u>64.36</u>
<b>2022</b>			
AAA	1,041,706	6.26	4.34
AA	9,508,835	57.11	39.70
A	6,098,123	36.63	25.47
	<u>16,648,664</u>	<u>100.00</u>	<u>69.51</u>

For deposits with licensed financial institutions, the Fund only makes placements with financial institutions with sound rating. The following table presents the Fund's portfolio of deposits by rating category as at 31 August 2023 and 31 August 2022:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of deposits</b>	<b>As a % of NAV</b>
<b>2023</b>			
P1/MARC-1	<u>6,636,252</u>	<u>100.00</u>	<u>26.09</u>
<b>2022</b>			
P1/MARC-1	<u>5,668,584</u>	<u>100.00</u>	<u>23.67</u>

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

## AmPRS – Conservative Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

#### 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

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

##### (ii) Credit risk concentration

Concentration of risk is monitored and managed based on sectorial distribution. The table below analyses the Fund's portfolio of debt securities by sectorial distribution as at 31 August 2023 and 31 August 2022:

Sector	RM	As a % of debt securities	As a % of NAV
<b>2023</b>			
Consumer discretionary	3,397,504	20.76	13.36
Energy and utilities	3,416,559	20.86	13.43
Financial	3,573,899	21.84	14.05
Health care and social work	205,914	1.26	0.81
Industrials	983,093	6.01	3.87
Real estate	1,626,399	9.94	6.40
Transportation and storage	3,163,786	19.33	12.44
	<u>16,367,154</u>	<u>100.00</u>	<u>64.36</u>
<b>2022</b>			
Diversified holdings	2,064,751	12.40	8.62
Financial services	5,629,654	33.81	23.51
Industrial products	992,227	5.96	4.14
Infrastructures and utilities	2,580,290	15.50	10.76
Mining & petroleum	979,202	5.88	4.09
Property and real estate	3,187,841	19.15	13.32
Trading & services	1,214,699	7.30	5.07
	<u>16,648,664</u>	<u>100.00</u>	<u>69.51</u>

##### (c) Liquidity risk

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



**AmPRS – Conservative Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

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

The following table presents the undiscounted contractual cash flows from different asset and liability classes in the Fund:

	<b>Contractual cash flows (undiscounted)</b>					
	<b>0 – 1 year RM</b>	<b>1 – 2 years RM</b>	<b>2 – 3 years RM</b>	<b>3 – 4 years RM</b>	<b>4 – 5 years RM</b>	<b>More than 5 years RM</b>
<b>2023</b>						
<b>Financial assets</b>						
Investments	3,234,951	3,096,278	3,021,488	1,594,808	2,840,694	6,175,598
Amount due from Provider	21,783	-	-	-	-	-
Deposits with licensed financial institutions	6,636,252	-	-	-	-	-
Cash at bank	12,681	-	-	-	-	-
<b>Total assets</b>	<b>9,905,667</b>	<b>3,096,278</b>	<b>3,021,488</b>	<b>1,594,808</b>	<b>2,840,694</b>	<b>6,175,598</b>
<b>Financial liabilities</b>						
Amount due to Provider	24,386	-	-	-	-	-
Amount due to Trustee	864	-	-	-	-	-
Amount due to PPA	864	-	-	-	-	-
Sundry payables and accruals	8,756	-	-	-	-	-
<b>Total liabilities</b>	<b>34,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

AmPRS – Conservative Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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

(c) Liquidity risk (cont'd.)

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

	Contractual cash flows (undiscounted)					
	0 – 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	More than 5 years RM
<b>2022</b>						
<b>Financial assets</b>						
Investments	3,671,276	3,112,941	4,041,317	1,481,991	1,479,715	5,616,484
Amount due from Provider	9,562	-	-	-	-	-
Dividend receivables	2,142	-	-	-	-	-
Deposits with licensed financial institutions	5,678,938	-	-	-	-	-
Cash at bank	11,126	-	-	-	-	-
<b>Total assets</b>	<b>9,373,044</b>	<b>3,112,941</b>	<b>4,041,317</b>	<b>1,481,991</b>	<b>1,479,715</b>	<b>5,616,484</b>
<b>Financial liabilities</b>						
Amount due to Provider	22,256	-	-	-	-	-
Amount due to Trustee	838	-	-	-	-	-
Amount due to PPA	838	-	-	-	-	-
Sundry payables and accruals	12,071	-	-	-	-	-
<b>Total liabilities</b>	<b>36,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **AmPRS – Conservative Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023**

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

**(d) Single issuer risk**

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

**(e) Regulatory risk**

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

**(f) Management risk**

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

**(g) Non-compliance risk**

This is the risk of the Provider or the Trustee not complying with the respective internal policies, the Deed and its Supplemental Deed, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

#### **20. CAPITAL MANAGEMENT**

The primary objective of the Fund's capital management is to ensure that it maximises members' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units, make distribution payment, or return capital to members by way of redemption of units.

No changes were made in the objective, policies or processes during the financial years ended 31 August 2023 and 31 August 2022.

## **AmPRS – Conservative Fund**

### **STATEMENT BY THE PROVIDER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (“the Provider”), do hereby state that in the opinion of the Provider, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmPRS – Conservative Fund (“the Fund”) as at 31 August 2023 and the comprehensive income, the changes in net assets attributable to members and cash flows for the financial year then ended.

For and on behalf of the Provider

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 October 2023

## **THE SCHEME TRUSTEE'S REPORT**

### **TO THE MEMBERS OF AMPRS – CONSERVATIVE FUND (“Fund”)**

We have acted as the Scheme Trustee of the Fund for the financial year ended 31 August 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the 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.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
19 October 2023

## **DIRECTORY**

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Email: enquiries@aminvest.com

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

### **Distributors**

For more details on the list of distributors, please contact the PRS Provider.

*For enquiries about this Scheme and any other funds offered by the PRS Provider  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday-Thursday)  
Friday 8.45 a.m. to 5.00 p.m.*

