

Semi-Annual Report for

# ABF Malaysia Bond Index Fund

30 June 2023



**AmInvest**

Growing Your Investments in a Changing World

**ABF Malaysia Bond Index Fund**

**Semi-Annual Report**

**30 June 2023**

## TRUST DIRECTORY

### **Manager**

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

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
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

### **Trustee**

HSBC (Malaysia) Trustee Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

## CORPORATE DIRECTORY

### **AmFunds Management Berhad**

Registered Office

22<sup>nd</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur  
Tel: 03-2036 2633

Head Office

9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur  
Tel: 03-2032 2888  
Fax: 03-2031 5210  
E-mail: [enquiries@aminvest.com](mailto:enquiries@aminvest.com)  
Website: [www.aminvest.com](http://www.aminvest.com)

### **Secretary**

Koh Suet Peng  
(MAICSA 7019861)  
(SSM Practising Cert. No. 202008002984)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
No. 55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **HSBC (Malaysia) Trustee Berhad**

Registered & Business Office  
Level 19, Menara IQ  
Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur  
Tel: 603 2075 7800  
Fax: 603 8894 2611

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of ABF Malaysia Bond Index Fund ("Fund") for the financial period from 1 January 2023 to 30 June 2023.

### Salient Information of the Fund

<b>Name</b>	ABF Malaysia Bond Index Fund ("Fund")				
<b>Category/Type</b>	Fixed Income ETF / Income				
<b>Objective</b>	<p>The investment objective of the Fund is to achieve a total return for the Fund Assets that closely tracks the total return of the benchmark.</p> <p><i>Note: Any material change to the Fund's investment objective will require the Unit Holder's approval by way of a resolution of not less than two-thirds of all Unit Holders at a meeting of Unit Holders duly convened and held in accordance with the Deed.</i></p>				
<b>Index Component</b>	Details of the index component as at 30 June 2023 are as follows:				
	<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
	VJ180197	Pengurusan Air SPV Berhad	4.520	06 June 2024	500,000,000
	VK170173	Pengurusan Air SPV Berhad	4.270	06 June 2024	500,000,000
	MI190003	Malaysia Government Bond	3.478	14 June 2024	21,500,000,000
	MO140001	Malaysia Government Bond	4.181	15 July 2024	11,020,000,000
	VP120271	Danainfra Nasional Bhd	3.870	19 July 2024	500,000,000
	GL170002	Malaysia Government Investment Issue	4.045	15 August 2024	12,000,000,000
	DS090198	Khazanah Nasional Bhd	0.000	27 August 2024	1,000,000,000
	VK170248	Lembaga Pembiayaan Perumahan Sektor Awam	4.280	06 September 2024	700,000,000
	VN140223	Bank Pembangunan Malaysia Berhad	4.380	12 September 2024	500,000,000
	VK170262	Prasarana Malaysia Bhd	4.280	13 September 2024	800,000,000
	VS090824	Prasarana Malaysia Bhd	4.850	27 September 2024	500,000,000
	ML170002	Malaysia Government Bond	4.059	30 September 2024	11,000,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VG210357	Cagamas Berhad	2.780	30 September 2024	1,150,000,000
GJ190004	Malaysia Government Investment Issue	3.655	15 October 2024	19,500,000,000
VK170338	PR1MA Corp Malaysia	4.340	18 October 2024	1,750,000,000
VF220412	Cagamas Berhad	4.150	31 October 2024	500,000,000
VK170374	DanaInfra Nasional Bhd	4.330	15 November 2024	700,000,000
VP120394	Turus Pesawat Sdn Bhd	3.930	19 November 2024	500,000,000
VG210434	Cagamas Berhad	3.040	25 November 2024	1,100,000,000
UG210403	Cagamas Berhad	3.160	10 December 2024	500,000,000
VN140396	Perbadanan Tabung Pendidikan Tinggi Nasional	4.550	20 December 2024	700,000,000
VG220043	Cagamas Berhad	3.310	31 January 2025	930,000,000
VK180070	DanaInfra Nasional Bhd	4.370	21 February 2025	700,000,000
VI200010	Danum Capital Bhd	3.070	21 February 2025	500,000,000
VK180080	Prasarana Malaysia Bhd	4.390	07 March 2025	600,000,000
MK180001	Malaysia Government Bond	3.882	14 March 2025	17,500,000,000
VK180133	Lembaga Pembiayaan Perumahan Sektor Awam	4.320	04 April 2025	1,000,000,000
VG220193	Cagamas Berhad	3.920	29 April 2025	555,000,000
VK180151	DanaInfra Nasional Bhd	4.320	02 May 2025	800,000,000
VI200068	Danum Capital Bhd	2.970	13 May 2025	500,000,000
UF230152	Cagamas Berhad	3.720	26 May 2025	700,000,000
VN150103	Jambatan Kedua Sdn Bhd	4.300	28 May 2025	1,300,000,000
VG220230	Danga Capital Bhd	4.020	30 June 2025	1,200,000,000
MY050003	Malaysia Government Bond	4.837	15 July 2025	3,000,000,000
VI200155	PR1MA Corp Malaysia	2.380	30 July 2025	500,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
GL180001	Malaysia Government Investment Issue	4.128	15 August 2025	12,500,000,000
VL170263	Prasarana Malaysia Bhd	4.340	12 September 2025	850,000,000
MO150001	Malaysia Government Bond	3.955	15 September 2025	27,172,200,000
VN150193	Pengurusan Air SPV Berhad	4.630	26 September 2025	860,000,000
GO150004	Malaysia Government Investment Issue	3.990	15 October 2025	24,500,000,000
VK180296	Lembaga Pembiayaan Perumahan Sektor Awam	4.200	31 October 2025	500,000,000
VI200297	Lembaga Pembiayaan Perumahan Sektor Awam	2.350	06 November 2025	500,000,000
VK180329	Danainfra Nasional Bhd	4.320	26 November 2025	955,000,000
VK190031	Danum Capital Bhd	4.300	13 February 2026	500,000,000
VN160022	Danga Capital Bhd	4.600	23 February 2026	1,500,000,000
VN160028	Prasarana Malaysia Bhd	4.470	26 February 2026	500,000,000
VI210048	Federal Land Development Authority	3.040	24 March 2026	655,000,000
GK190003	Malaysia Government Investment Issue	3.726	31 March 2026	25,500,000,000
VK190069	Danainfra Nasional Bhd	4.030	01 April 2026	700,000,000
VK190080	Lembaga Pembiayaan Perumahan Sektor Awam	4.000	10 April 2026	500,000,000
MS110003	Malaysia Government Bond	4.392	15 April 2026	9,124,330,000
VN160127	Danainfra Nasional Bhd	4.290	30 April 2026	500,000,000
UG230155	Cagamas Berhad	3.900	29 May 2026	780,000,000
ML190001	Malaysia Government Bond	3.906	15 July 2026	16,000,000,000



<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VN160231	Perbadanan Tabung Pendidikan Tinggi Nasional	4.200	27 July 2026	1,000,000,000
VN160235	Jambatan Kedua Sdn Bhd	4.200	28 July 2026	1,000,000,000
VS110260	Prasarana Malaysia Bhd	4.350	04 August 2026	1,200,000,000
VH220310	Lembaga Pembiayaan Perumahan Sektor Awam	3.900	25 August 2026	675,000,000
VI210330	Prasarana Malaysia Bhd	2.980	27 August 2026	500,000,000
VP140207	Perbadanan Tabung Pendidikan Tinggi Nasional	4.530	27 August 2026	500,000,000
MX060002	Malaysia Government Bond	4.709	15 September 2026	2,310,000,000
VN160279	Lembaga Pembiayaan Perumahan Sektor Awam	4.050	21 September 2026	700,000,000
GO160003	Malaysia Government Investment Issue	4.070	30 September 2026	10,500,000,000
VI210363	PR1MA Corp Malaysia	3.050	30 September 2026	500,000,000
VN160319	Danainfra Nasional Bhd	4.090	20 October 2026	600,000,000
VN160330	Bank Pembangunan Malaysia Berhad	4.500	04 November 2026	850,000,000
VK190270	Danainfra Nasional Bhd	3.530	27 November 2026	705,000,000
MO160003	Malaysia Government Bond	3.900	30 November 2026	24,000,000,000
VN170037	GovCo Holdings Bhd	4.550	22 February 2027	500,000,000
MS120002	Malaysia Government Bond	3.892	15 March 2027	5,500,000,000
VK200069	Danum Capital Bhd	3.140	13 May 2027	500,000,000
VN170160	Danainfra Nasional Bhd	4.370	25 May 2027	500,000,000
MX070003	Malaysia Government Bond	3.502	31 May 2027	17,000,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VI220214	Pengurusan Air SPV Bhd	4.400	03 June 2027	645,000,000
VK200085	Pengurusan Air SPV Berhad	3.320	04 June 2027	850,000,000
VI220220	Johor Corporation	4.720	11 June 2027	1,215,000,000
GS120059	Malaysia Government Investment Issue	3.899	15 June 2027	5,000,000,000
VS120272	DanaInfra Nasional Berhad	4.040	20 July 2027	900,000,000
GO170001	Malaysia Government Investment Issue	4.258	26 July 2027	11,000,000,000
VI220273	PR1MA Corp Malaysia	4.000	29 July 2027	500,000,000
VK200156	PR1MA Corp Malaysia	2.580	30 July 2027	500,000,000
PS120074	Prasarana Malaysia Bhd	4.000	06 September 2027	1,000,000,000
VN170245	Danga Capital Bhd	4.520	06 September 2027	1,500,000,000
VK200196	DanaInfra Nasional Bhd	2.660	23 September 2027	600,000,000
GL200001	Malaysia Government Investment Issue	3.422	30 September 2027	25,500,000,000
DS120018	Khazanah Nasional Bhd	0.000	12 October 2027	1,000,000,000
VI220418	Cagamas Berhad	4.620	04 November 2027	1,000,000,000
VK200298	Lembaga Pembiayaan Perumahan Sektor Awam	2.660	05 November 2027	500,000,000
MO170004	Malaysia Government Bond	3.899	16 November 2027	24,500,000,000
VS120395	Turus Pesawat Sdn Bhd	4.120	19 November 2027	750,000,000
UI220349	Cagamas Berhad	4.500	13 December 2027	1,000,000,000
VI230006	Cagamas Berhad	4.260	18 January 2028	500,000,000
VK210002	Danga Capital Bhd	2.960	25 January 2028	1,500,000,000
VK210005	Pengurusan Air SPV Berhad	3.070	04 February 2028	500,000,000
VK210014	DanaInfra Nasional Bhd	2.840	24 February 2028	700,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VS130090	Perbadanan Tabung Pendidikan Tinggi Nasional	4.220	28 February 2028	830,000,000
VK210054	Lembaga Pembiayaan Perumahan Sektor Awam	3.510	24 March 2028	515,000,000
MI230002	Malaysia Government Bond	3.519	20 April 2028	5,000,000,000
VK210156	Pengurusan Air SPV Berhad	3.750	28 April 2028	500,000,000
VN180152	DanaInfra Nasional Bhd	4.550	02 May 2028	700,000,000
VS130151	Perbadanan Tabung Pendidikan Tinggi Nasional	4.190	31 May 2028	500,000,000
VK210216	Pengurusan Air SPV Berhad	3.730	02 June 2028	550,000,000
MS130005	Malaysia Government Bond	3.733	15 June 2028	24,000,000,000
GJ230001	Malaysia Government Investment Issue	3.599	31 July 2028	5,000,000,000
GT130001	Malaysia Government Investment Issue	3.871	08 August 2028	3,000,000,000
VS130241	Prasarana Malaysia Bhd	4.580	29 August 2028	500,000,000
MX080003	Malaysia Government Bond	5.248	15 September 2028	3,840,000,000
VL200226	Prasarana Malaysia Bhd	2.780	20 October 2028	700,000,000
VL200276	Perbadanan Tabung Pendidikan Tinggi Nasional	2.770	27 October 2028	950,000,000
VN180297	Lembaga Pembiayaan Perumahan Sektor Awam	4.390	31 October 2028	550,000,000
GO180002	Malaysia Government Investment Issue	4.369	31 October 2028	24,500,000,000
VN180330	DanaInfra Nasional Bhd	4.470	24 November 2028	740,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
GS130072	Malaysia Government Investment Issue	4.943	06 December 2028	5,000,000,000
VN190019	Pengurusan Air SPV Berhad	4.340	07 February 2029	600,000,000
VN190024	DanaInfra Nasional Bhd	4.360	12 February 2029	700,000,000
VN190050	Perbadanan Tabung Pendidikan Tinggi Nasional	4.270	01 March 2029	700,000,000
VS140056	Rantau Abang Capital Bhd	5.200	26 March 2029	1,000,000,000
VK220146	Perbadanan Tabung Pendidikan Tinggi Nasional	3.730	29 March 2029	600,000,000
MK220003	Malaysia Government Bond	4.504	30 April 2029	10,000,000,000
VK220231	Danga Capital Bhd	4.680	29 June 2029	800,000,000
GO190001	Malaysia Government Investment Issue	4.130	09 July 2029	21,500,000,000
VM200121	Prasarana Malaysia Bhd	3.060	10 July 2029	700,000,000
VL210293	Prasarana Malaysia Bhd	3.370	03 August 2029	800,000,000
MO190002	Malaysia Government Bond	3.885	15 August 2029	20,500,000,000
VL210336	Lembaga Pembiayaan Perumahan Sektor Awam	3.440	30 August 2029	785,000,000
VS140224	Bank Pembangunan Malaysia Berhad	4.750	12 September 2029	900,000,000
VX090825	Prasarana Malaysia Bhd	5.070	28 September 2029	1,500,000,000
VK220395	DanaInfra Nasional Bhd	4.440	19 October 2029	500,000,000
VN190231	Pengurusan Air SPV Berhad	3.900	30 October 2029	500,000,000
VS150002	Danga Capital Bhd	4.880	29 January 2030	1,500,000,000
VK230028	Pengurusan Air SPV Berhad	4.560	31 January 2030	1,045,000,000
VK230017	DanaInfra Nasional Bhd	4.150	31 January 2030	600,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VS150025	Perbadanan Tabung Pendidikan Tinggi Nasional	4.630	12 February 2030	500,000,000
VN200013	Prasarana Malaysia Bhd	3.090	25 February 2030	600,000,000
VS150043	Prasarana Malaysia Bhd	4.640	22 March 2030	1,100,000,000
MX100003	Malaysia Government Bond	4.498	15 April 2030	22,770,000,000
VN200070	Danum Capital Bhd	3.290	13 May 2030	1,000,000,000
VN200075	DanaInfra Nasional Bhd	3.010	20 May 2030	600,000,000
VS150104	Jambatan Kedua Sdn Bhd	4.520	28 May 2030	700,000,000
VN200197	DanaInfra Nasional Bhd	2.860	23 September 2030	500,000,000
GT150003	Malaysia Government Investment Issue	4.245	30 September 2030	12,000,000,000
GO200002	Malaysia Government Investment Issue	3.465	15 October 2030	28,000,000,000
VS160029	Prasarana Malaysia Bhd	4.750	26 February 2031	700,000,000
VP190053	Prasarana Malaysia Bhd	4.380	12 March 2031	700,000,000
MO200002	Malaysia Government Bond	2.632	15 April 2031	19,500,000,000
VS160128	DanaInfra Nasional Bhd	4.570	02 May 2031	700,000,000
VX110056	Rantau Abang Capital Bhd	5.050	12 May 2031	1,000,000,000
VS160151	GovCo Holdings Bhd	4.730	06 June 2031	550,000,000
VN210218	Bank Pembangunan Malaysia Berhad	4.050	06 June 2031	700,000,000
MX110004	Malaysia Government Bond	4.232	30 June 2031	13,893,000,000
VS160232	Perbadanan Tabung Pendidikan Tinggi Nasional	4.500	25 July 2031	500,000,000
VS160320	DanaInfra Nasional Bhd	4.480	20 October 2031	700,000,000
VS170036	GovCo Holdings Bhd	4.950	20 February 2032	1,250,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VS170042	Bank Pembangunan Malaysia Berhad	4.980	02 March 2032	700,000,000
VS170113	Perbadanan Tabung Pendidikan Tinggi Nasional	4.860	12 March 2032	855,000,000
VS170119	Danainfra Nasional Berhad	4.950	19 March 2032	1,065,000,000
MX120004	Malaysia Government Bond	4.127	15 April 2032	3,584,538,000
VS170147	Lembaga Pembiayaan Perumahan Sektor Awam	4.940	16 April 2032	700,000,000
VS170161	Danainfra Nasional Bhd	4.890	25 May 2032	700,000,000
MO220001	Malaysia Government Bond	3.582	15 July 2032	18,000,000,000
VS170237	Perbadanan Tabung Pendidikan Tinggi Nasional	4.930	17 August 2032	1,300,000,000
VN220314	Lembaga Pembiayaan Perumahan Sektor Awam	4.200	25 August 2032	910,000,000
VN220321	Prasarana Malaysia Bhd	4.180	27 August 2032	600,000,000
DX120016	Khazanah Nasional Bhd	0.000	03 September 2032	1,000,000,000
GO220001	Malaysia Government Investment Issue	4.193	07 October 2032	21,000,000,000
VN220396	Danainfra Nasional Bhd	4.580	20 October 2032	500,000,000
VS170376	Danainfra Nasional Bhd	4.900	16 November 2032	500,000,000
VX120396	Turus Pesawat Sdn Bhd	4.360	19 November 2032	1,650,000,000
VS180036	Perbadanan Tabung Pendidikan Tinggi Nasional	4.900	21 January 2033	500,000,000
VS180037	Danga Capital Bhd	4.940	26 January 2033	1,500,000,000
VS180082	Prasarana Malaysia Bhd	4.940	08 March 2033	500,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VS180135	Lembaga Pembiayaan Perumahan Sektor Awam	4.900	05 April 2033	1,500,000,000
MX130004	Malaysia Government Bond	3.844	15 April 2033	14,000,000,000
VS180153	DanaInfra Nasional Bhd	4.900	29 April 2033	700,000,000
GT170006	Malaysia Government Investment Issue	4.724	15 June 2033	12,500,000,000
GX130068	Malaysia Government Investment Issue	4.582	30 August 2033	12,000,000,000
VT180093	Danga Capital Bhd	5.020	21 September 2033	2,000,000,000
VX130278	DanaInfra Nasional Bhd	4.800	31 October 2033	900,000,000
MT180003	Malaysia Government Bond	4.642	07 November 2033	9,500,000,000
VS190025	DanaInfra Nasional Bhd	4.650	10 February 2034	500,000,000
VS190032	Danga Capital Bhd	4.680	14 February 2034	1,000,000,000
VS190049	Perbadanan Tabung Pendidikan Tinggi Nasional	4.580	28 February 2034	1,600,000,000
VS190054	Prasarana Malaysia Bhd	4.530	10 March 2034	700,000,000
VS190071	DanaInfra Nasional Bhd	4.300	31 March 2034	800,000,000
MS190004	Malaysia Government Bond	3.828	05 July 2034	18,500,000,000
VX140199	DanaInfra Nasional Bhd	4.930	24 July 2034	500,000,000
VS190136	Prasarana Malaysia Bhd	3.920	04 August 2034	500,000,000
VQ210337	Lembaga Pembiayaan Perumahan Sektor Awam	3.860	01 September 2034	600,000,000
VX140225	Bank Pembangunan Malaysia Berhad	4.850	12 September 2034	900,000,000
VS190272	DanaInfra Nasional Bhd	3.930	27 November 2034	870,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VX140364	DanaInfra Nasional Berhad	4.790	27 November 2034	500,000,000
GT190006	Malaysia Government Investment Issue	4.119	30 November 2034	20,000,000,000
VS200006	Lembaga Pembiayaan Perumahan Sektor Awam	3.450	13 February 2035	665,000,000
VS200011	Danum Capital Bhd	3.420	21 February 2035	1,500,000,000
VS200014	Prasarana Malaysia Bhd	3.280	23 February 2035	500,000,000
VS200076	DanaInfra Nasional Bhd	3.270	18 May 2035	600,000,000
MY150004	Malaysia Government Bond	4.254	31 May 2035	16,108,000,000
VS200122	Prasarana Malaysia Bhd	3.560	10 July 2035	500,000,000
VR210338	Lembaga Pembiayaan Perumahan Sektor Awam	4.000	30 August 2035	600,000,000
VS200198	DanaInfra Nasional Bhd	3.350	21 September 2035	500,000,000
GX150006	Malaysia Government Investment Issue	4.786	31 October 2035	7,000,000,000
VR210430	DanaInfra Nasional Bhd	4.230	23 November 2035	615,000,000
VX150340	Prasarana Malaysia Bhd	5.050	11 December 2035	500,000,000
VX160030	Prasarana Malaysia Bhd	4.970	26 February 2036	600,000,000
VS210039	Perbadanan Tabung Pendidikan Tinggi Nasional	4.170	10 March 2036	700,000,000
VS210050	Federal Land Development Authority	4.500	24 March 2036	900,000,000
VS210056	Lembaga Pembiayaan Perumahan Sektor Awam	4.460	25 March 2036	600,000,000
VX160129	DanaInfra Nasional Bhd	4.760	02 May 2036	500,000,000
GT210001	Malaysia Government Investment Issue	3.447	15 July 2036	21,500,000,000



<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VS210328	Prasarana Malaysia Bhd	4.110	27 August 2036	600,000,000
VX160280	Lembaga Pembiayaan Perumahan Sektor Awam	4.620	19 September 2036	900,000,000
VX160321	DanaInfra Nasional Bhd	4.650	20 October 2036	800,000,000
VS210380	DanaInfra Nasional Bhd	4.340	27 October 2036	860,000,000
VV190072	DanaInfra Nasional Bhd	4.530	01 April 2037	600,000,000
MX170003	Malaysia Government Bond	4.762	07 April 2037	26,000,000,000
VS220166	DanaInfra Nasional Berhad	4.530	07 April 2037	870,000,000
GX170005	Malaysia Government Investment Issue	4.755	04 August 2037	14,500,000,000
VX170249	Lembaga Pembiayaan Perumahan Sektor Awam	5.050	07 September 2037	1,000,000,000
VX170264	Prasarana Malaysia Bhd	5.010	14 September 2037	650,000,000
VS230024	Prasarana Malaysia Bhd	4.380	29 January 2038	550,000,000
VX180072	DanaInfra Nasional Berhad	5.110	19 February 2038	1,500,000,000
GT220003	Malaysia Government Investment Issue	4.662	31 March 2038	10,000,000,000
MX180004	Malaysia Government Bond	4.893	08 June 2038	15,000,000,000
VX180298	Lembaga Pembiayaan Perumahan Sektor Awam	4.850	29 October 2038	900,000,000
VX180332	DanaInfra Nasional Bhd	5.000	26 November 2038	520,000,000
VX180350	Prasarana Malaysia Bhd	5.020	03 December 2038	500,000,000
VX190048	Perbadanan Tabung Pendidikan Tinggi Nasional	4.800	01 March 2039	700,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VX190083	Lembaga Pembiayaan Perumahan Sektor Awam	4.580	11 April 2039	600,000,000
VZ140102	Danainfra Nasional Bhd	5.380	21 April 2039	700,000,000
VV210339	Lembaga Pembiayaan Perumahan Sektor Awam	4.270	02 September 2039	900,000,000
GY190002	Malaysia Government Investment Issue	4.467	15 September 2039	20,800,000,000
VX200015	Prasarana Malaysia Bhd	3.440	24 February 2040	1,000,000,000
VX200058	Prasarana Malaysia Bhd	3.750	23 March 2040	650,000,000
VZ150047	Danainfra Nasional Berhad	4.950	06 April 2040	1,000,000,000
VX200077	Danainfra Nasional Bhd	3.570	18 May 2040	600,000,000
MY190005	Malaysia Government Bond	3.757	22 May 2040	24,700,000,000
VY190174	Lembaga Pembiayaan Perumahan Sektor Awam	3.690	18 September 2040	1,300,000,000
VX200199	Danainfra Nasional Bhd	3.720	21 September 2040	600,000,000
VZ150257	Danainfra Nasional Bhd	5.040	12 November 2040	800,000,000
VZ160031	Prasarana Malaysia Bhd	5.070	26 February 2041	755,000,000
VZ160130	Danainfra Nasional Bhd	4.850	03 May 2041	1,000,000,000
VZ160233	Perbadanan Tabung Pendidikan Tinggi Nasional	4.850	26 July 2041	1,500,000,000
VZ160237	Jambatan Kedua Sdn Bhd	4.860	26 July 2041	900,000,000
GY210002	Malaysia Government Investment Issue	4.417	30 September 2041	19,000,000,000
VZ160322	Danainfra Nasional Bhd	4.780	18 October 2041	1,000,000,000
VY200299	Lembaga Pembiayaan Perumahan Sektor Awam	3.820	06 November 2041	1,500,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VX220106	Prasarana Malaysia Bhd	4.540	03 March 2042	500,000,000
VZ170163	Danainfra Nasional Bhd	5.200	23 May 2042	780,000,000
VZ170265	Prasarana Malaysia Bhd	5.110	12 September 2042	600,000,000
MY220002	Malaysia Government Bond	4.696	15 October 2042	14,000,000,000
VZ200300	Lembaga Pembiayaan Perumahan Sektor Awam	3.870	06 November 2042	1,450,000,000
VZ170377	Danainfra Nasional Bhd	5.220	14 November 2042	600,000,000
VZ180073	Danainfra Nasional Berhad	5.240	20 February 2043	1,000,000,000
VZ180084	Prasarana Malaysia Bhd	5.250	06 March 2043	1,200,000,000
VZ190073	Danainfra Nasional Bhd	4.720	01 April 2043	500,000,000
GY230002	Malaysia Government Investment Issue	4.291	14 August 2043	10,500,000,000
MZ130007	Malaysia Government Bond	4.935	30 September 2043	8,258,462,000
VZ200301	Lembaga Pembiayaan Perumahan Sektor Awam	3.910	06 November 2043	1,350,000,000
VZ140201	Danainfra Nasional Bhd	5.290	22 July 2044	500,000,000
VZ190175	Lembaga Pembiayaan Perumahan Sektor Awam	3.770	15 September 2044	700,000,000
VZ190181	Danainfra Nasional Bhd	3.800	26 September 2044	500,000,000
VZ140366	Danainfra Nasional Berhad	5.160	25 November 2044	500,000,000
VZ200057	Prasarana Malaysia Bhd	3.900	24 March 2045	700,000,000
VZ210057	Lembaga Pembiayaan Perumahan Sektor Awam	4.790	24 March 2045	765,000,000
VZ150046	Danainfra Nasional Bhd	5.050	06 April 2045	1,000,000,000
VZ200200	Danainfra Nasional Bhd	3.870	22 September 2045	600,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VZ150258	DanaInfra Nasional Bhd	5.150	10 November 2045	800,000,000
MZ160002	Malaysia Government Bond	4.736	15 March 2046	11,300,000,000
VZ210058	Lembaga Pembiayaan Perumahan Sektor Awam	4.810	23 March 2046	700,000,000
VZ160131	DanaInfra Nasional Bhd	5.020	03 May 2046	1,000,000,000
VZ160281	Lembaga Pembiayaan Perumahan Sektor Awam	4.900	21 September 2046	800,000,000
VZ160323	DanaInfra Nasional Berhad	4.950	19 October 2046	1,000,000,000
VZ170149	Lembaga Pembiayaan Perumahan Sektor Awam	5.220	17 April 2047	500,000,000
GZ170004	Malaysia Government Investment Issue	4.895	08 May 2047	9,000,000,000
VZ170164	DanaInfra Nasional Bhd	5.250	24 May 2047	720,000,000
VZ170250	Lembaga Pembiayaan Perumahan Sektor Awam	5.260	06 September 2047	1,000,000,000
VZ170266	Prasarana Malaysia Bhd	5.230	13 September 2047	600,000,000
VZ170378	DanaInfra Nasional Bhd	5.350	15 November 2047	900,000,000
VZ180074	DanaInfra Nasional Bhd	5.360	21 February 2048	500,000,000
VZ190074	DanaInfra Nasional Bhd	4.820	01 April 2048	800,000,000
MZ180005	Malaysia Government Bond	4.921	06 July 2048	14,434,000,000
VZ190176	Lembaga Pembiayaan Perumahan Sektor Awam	3.860	18 September 2048	1,000,000,000
VZ180299	Lembaga Pembiayaan Perumahan Sektor Awam	5.100	30 October 2048	500,000,000
VZ180333	DanaInfra Nasional Bhd	5.170	26 November 2048	755,000,000

<b>Code</b>	<b>Issuer</b>	<b>Coupon (%)</b>	<b>Final Maturity</b>	<b>Notional Amount (RM)</b>
VZ190028	Danainfra Nasional Berhad	5.060	12 February 2049	1,000,000,000
VZ200007	Lembaga Pembiayaan Perumahan Sektor Awam	3.970	12 February 2049	500,000,000
VZ190084	Lembaga Pembiayaan Perumahan Sektor Awam	4.800	09 April 2049	1,000,000,000
VZ190182	Danainfra Nasional Bhd	3.900	24 September 2049	600,000,000
GZ190005	Malaysia Government Investment Issue	4.638	15 November 2049	19,500,000,000
VZ200008	Lembaga Pembiayaan Perumahan Sektor Awam	4.000	11 February 2050	850,000,000
VZ200016	Prasarana Malaysia Bhd	3.800	25 February 2050	1,000,000,000
VZ200078	Danainfra Nasional Bhd	3.890	20 May 2050	600,000,000
MZ200001	Malaysia Government Bond	4.065	15 June 2050	27,843,199,000
VZ200201	Danainfra Nasional Berhad	4.010	23 September 2050	1,200,000,000
VZ210017	Danainfra Nasional Bhd	4.360	24 February 2051	700,000,000
VZ210060	Lembaga Pembiayaan Perumahan Sektor Awam	4.910	24 March 2051	720,000,000
VZ210167	Danainfra Nasional Bhd	4.640	05 May 2051	500,000,000
VZ210342	Lembaga Pembiayaan Perumahan Sektor Awam	4.580	01 September 2051	580,000,000
VZ220168	Danainfra Nasional Berhad	4.800	05 April 2052	560,000,000
GZ220002	Malaysia Government Investment Issue	5.357	15 May 2052	13,000,000,000
MZ230001	Malaysia Government Bond	4.457	31 March 2053	5,000,000,000

(Source: Markit Indices Limited)

<b>Duration</b>	The Fund was established on 13 July 2005 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.				
<b>Performance Benchmark</b>	<p>Markit iBoxx® ABF Malaysia Bond Index (“iBoxx Index”) (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>The Markit iBoxx® ABF Malaysia (the “Index”) referenced herein is the property of Markit Indices GmbH (“Index Sponsor”) and has been licensed for use in connection with ABF Malaysia Bond Index Fund. Each party acknowledges and agrees that ABF Malaysia Bond Index Fund is not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.</i></p> <p><i>The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling ABF Malaysia Bond Index Fund, the ability of the Index to track relevant markets’ performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling ABF Malaysia Bond Index Fund, nor the Index Sponsor, shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index.</i></p>				
<b>Income Distribution Policy</b>	Income distribution, if any, will be on a semi-annual basis.				
<b>Breakdown of Unit Holdings by Size</b>	For the financial period under review, the size of the Fund stood at 1,430,421,800 units.				
	<b>Size of holding</b>	<b>As at 30 June 2023</b>		<b>As at 31 December 2022</b>	
		<b>No of units held</b>	<b>Number of unitholders</b>	<b>No of units held</b>	<b>Number of unitholders</b>
	Less than 100	154	9	154	9
	100-1,000	49,846	119	51,546	120
	1,001-10,000	268,300	69	305,100	72
	10,001-100,000	507,300	15	491,500	14
	100,001 to less than 5% of issue units	18,588,330	11	36,065,630	10
	5% and above of issue units	1,411,007,870	1	1,366,007,870	1

## Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 June 2023 and for the past five financial years are as follows:					
	As at 30.06.2023 %	As at 31 December				
		2022 %	2021 %	2020 %	2019 %	2018 %
Malaysian government bonds	90.88	94.54	94.44	96.51	95.91	98.33
Quasi-government bonds	8.25	6.88	4.75	4.48	4.91	4.88
Cagamas bonds	0.89	0.61	-	-	-	-
Money market deposits and cash equivalents	-0.02	-2.03	0.81	-0.99	-0.82	-3.21
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</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 period ended 30 June 2023 and five financial years ended 31 December are as follows:					
	FPE 30.06.2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Net asset value (RM'000)*	1,708,400	1,613,726	1,648,920	1,627,416	1,558,872	1,418,254
Units in circulation ('000)*	1,430,422	1,402,922	1,402,922	1,320,422	1,292,922	1,237,922
Net asset value per unit (RM)*	1.1943	1.1503	1.1753	1.2325	1.2057	1.1457
Highest net asset value per unit (RM)*	1.2036	1.1900	1.2359	1.2657	1.2216	1.1916
Lowest net asset value per unit (RM)*	1.1524	1.1190	1.1577	1.1878	1.1470	1.1445
Closing quoted price (RM/unit)	1.1910	1.1520	1.1830	1.2340	1.2050	1.1860
Highest quoted price (RM/unit)	1.2030	1.1900	1.2350	1.3400	1.2220	1.1900
Lowest quoted price (RM/unit)	1.1500	1.1250	1.1600	1.1800	1.1000	1.1460

	FPE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Benchmark performance (%)	4.41	1.27	-1.46	7.29	9.00	4.21
Total return (%) <sup>(1)</sup>	4.23	1.15	-1.62	7.32	8.74	4.01
- Capital growth (%)	3.83	-2.13	-4.62	2.32	5.32	-0.05
- Income distribution (%)	0.40	3.28	3.00	5.00	3.42	4.06
Gross distribution (sen per unit)	0.46	3.85	3.70	6.03	3.92	4.65
Net distribution (sen per unit)	0.46	3.85	3.70	6.03	3.92	4.65
Distribution yield (%) <sup>(2)</sup>	0.39	3.35	3.13	4.89	3.25	4.08
Total expense ratio (%) <sup>(3)</sup>	0.08	0.15	0.15	0.15	0.16	0.17
Portfolio turnover ratio (times) <sup>(4)</sup>	0.07	0.12	0.11	0.14	0.19	0.18

\* Above price and net asset value per unit are shown as ex-distribution.

Note:

- (1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.
- (2) Distribution yield is calculated based on the total distribution for the respective financial period/years divided by the closing quoted price.
- (3) 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.
- (4) 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.

#### Average Total Return (as at 30 June 2023)

	ABFMY1 <sup>(a)</sup> %	iBoxx Index <sup>(b)</sup> %
One year	8.35	8.66
Three years	2.16	2.33
Five years	4.50	4.68
Ten years	3.88	4.08

#### Annual Total Return

Financial Years Ended (31 December)	ABFMY1 <sup>(a)</sup> %	iBoxx Index <sup>(b)</sup> %
2022	1.15	1.27
2021	-1.62	-1.46
2020	7.32	7.29
2019	8.74	9.00
2018	4.01	4.21

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

(b) Markit iBoxx® ABF Malaysia Bond Index ("iBoxx Index")  
(Available at [www.aminvest.com](http://www.aminvest.com))



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

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

**Fund Performance**

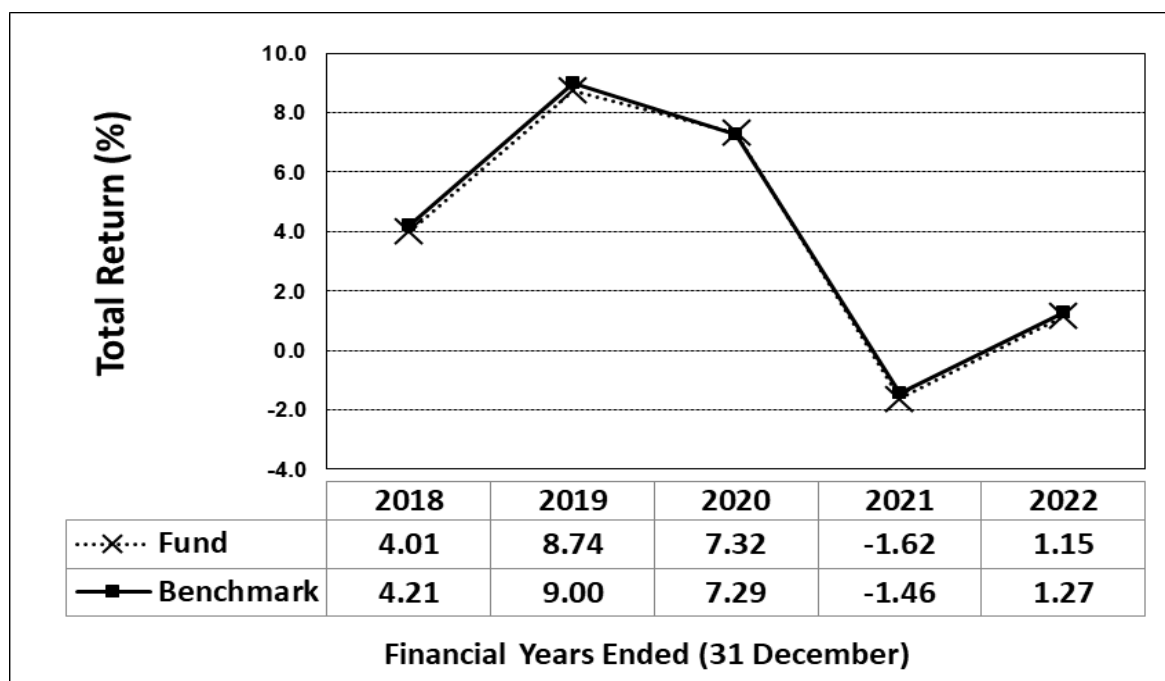
For the financial period under review, the Fund registered a return of 4.23%, comprising of negative 3.83% capital and 0.40% income distribution.

Thus, the Fund’s return of 4.23% has underperformed the benchmark’s return of 4.41% by 0.18%.

As compared with the financial year ended 31 December 2022, the net asset value (“NAV”) per unit of the Fund increased by 3.83% from RM1.1503 to RM1.1943, while units in circulation increased by 1.96% from 1,402,921,800 units to 1,430,421,800 units.

The closing price quoted at Bursa Malaysia of the Fund increased by 3.39% from RM1.1520 to RM1.1910.

The following line chart shows the comparison between the annual performance of ABFMY1 and its benchmark, iBoxx Index, for the financial years ended 31 December.



**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 period under review, the Fund used a passive strategy whereby the Manager aims, by way of representative sampling, to achieve a return on the Fund Assets that closely tracks the returns of the benchmark index.

**Portfolio Structure**

The table below is the asset allocation of the Fund as at 30 June 2023 and 31 December 2022.

	As at 30.06.2023 %	As at 31.12.2022 %	Changes %
Malaysian government bonds	90.88	94.54	-3.66
Quasi-government bonds	8.25	6.88	1.37
Cagamas bonds	0.89	0.61	0.28
Money market deposits and cash equivalents	-0.02	-2.03	2.01
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

For the financial period under review, the Fund invested 90.88% of its NAV in Malaysian government bonds, 8.25% in quasi-government bonds, 0.89% in cagamas bonds and the remaining -0.02% in money market deposits and cash equivalents.

<b>Securities Lending / Repurchase Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").
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<b>Cross Trade</b>	There were no cross trades undertaken during the financial period under review.
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<b>Distribution/ unit splits</b>	<p>During the financial period under review, the Fund declared income distribution, detailed as follows:</p> <table border="1"> <thead> <tr> <th>Date of distribution</th> <th>Distribution per unit (RM sen)</th> <th>NAV per unit Cum-Distribution (RM)</th> <th>NAV per unit Ex-Distribution (RM)</th> </tr> </thead> <tbody> <tr> <td>22-June-23</td> <td>0.46</td> <td>1.1968</td> <td>1.1922</td> </tr> </tbody> </table> <p>There is no unit split declared for the financial period under review.</p>	Date of distribution	Distribution per unit (RM sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)	22-June-23	0.46	1.1968	1.1922
Date of distribution	Distribution per unit (RM sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)						
22-June-23	0.46	1.1968	1.1922						

<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 unit holders during the financial period under review.
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<b>Rebates and Soft Commission</b>	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
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<b>Market Review</b>	<p>During the first month of 2023, Malaysia government bond market was trading firmer, tracking bullish United States Treasuries (UST) movements following release of weaker than expected economic data including slower wage growth rate and a plunge in Institute of Supply Management (ISM) Services Purchasing Managers' Index (PMI) into contractionary zone. Overall, Malaysian Government securities (MGS) yields shifted down significantly by 22bps to 31bps month-on-month across the curve on growing expectations of peaking interest rates in domestic and global markets. Significant yield movements came after Bank Negara Malaysia (BNM) surprised market with a hold on the Overnight Policy Rate (OPR) at 2.75% on 19 January, where MGS yields plunging by the range of 9bps to 25bps in a day.</p> <p>Moving towards February, MGS yield curve bull-steepened at the beginning the month with yields in 3 to 7 year segment down by 3-9bps while long-end was little changed. However, local bonds weakened as February progressed, MGS curve ended the month 11 to 13bps higher across the 3 to 10 year segment while yields at the ultra-</p>
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long 20 year and 30 year held up better with marginal changes. During the month, following policy divergence between BNM and the Federal Reserve, 10 year MGS-UST spread turned negative for the first time since 2007 while local bond market stayed jittery ahead of Budget 2023 re-tabling and mostly traded sideways towards February month end.

In March, Malaysian bond market began on cautious footing as yields of both 10 year MGS and 10 year UST surged above the 4% handle on market repricing of higher terminal Federal Reserve Fund Rate. However, concerns over global financial stability stemming from the failures of three United States (US) regional banks and the government-brokered takeover of Credit Suisse by UBS, triggered flight-to-safety flows into the UST market in the subsequent weeks. The UST curve bull steepened, with the 2 year UST yield declining by more than 100bps from the peak of 5.07%. Towards end of the month, global yields rose moderately as flows rebalanced back to risk assets on receding fears over the systemic fallout of the banking sector. MGS curve echoed the directional move in UST as yields across benchmark tenors were richer by 2bps to 14bps, except for the 15 year and 30 year which remained flat over the month. BNM kept the OPR unchanged during the monetary policy committee on 9 March 2023 while remained cautious against upside risk to domestic inflation and volatility of external financial condition.

Following receding fears over the systemic fallout of the banking sector, the global bond market experienced a volatile month in April as market participants contended with a series of mixed economic data from the developed markets. The releases of softer inflation, factory orders and jobs openings data in the United States (US) at the beginning of April, fueled expectation for Federal Reserve's dovish pivot in the second half of 2023. The UST yield curve shifted lower initially but pared some gains in the middle of the month in reaction to strong US labour market data released in the middle of the month. The Malaysian bond market caught on to the slowing US economy narrative as well in early part of April. A surge in demand for bonds and duration positioning helped to allay earlier concerns of growing long-end supply. Towards the month end, the weaker than expected domestic inflation data and portfolio rebalancing requirements attracted onshore and offshore buyers to long tenor Malaysian Government Securities (MGS) and Government Investment Issuer (GII) papers.

BNM increased the OPR by 25 basis points (bps) during the 3 May 2023 Monetary Policy Committee (MPC), which brought the OPR back to the pre-pandemic level of 3.0%. Although the OPR hike was a surprise against consensus expectation, market reaction to the hike was relatively muted in view of investors' expectation that BNM is approaching the end of the current rate hike cycle. The Federal Open Market Committee (FOMC) raised US Federal Reserve Fund Rate by another 25bps to 5.25% (upper bound) in early May, in-line with expectations. However, FOMC minutes suggestion of further tightening caused global rates to retrace higher. The bearish global bond sentiment spilled over to Malaysia bond market sentiment and the MGS yields cheapened by 1bp to 10bps across benchmark tenors over the month of May.

The month of June saw MGS yield curve bear flatten due to higher net supply and investors' preference to stay defensive in view of hawkish sentiments from major central banks. Despite the FOMC's decision to maintain the Federal Reserve Fund Rate in June, the Federal Reserve dot plots indicated terminal Federal Reserve Fund Rate of 5.6%, was higher than market's expectation. As a reaction to Fed's hawkish guidance, the Federal Reserve Fund Futures market has priced-out the odds of rate cuts for the rest of the year. Meanwhile, major central banks had highlighted the persistence of labour market tightness would continue to exert upward pressure on core inflation.

Over the quarter, the UST curve bear flattened as yields on the 2 year and 30 year

	<p>UST rose by 87bps and 21bps respectively. The MGS curve performance was mixed as yields on the front-end of the curve cheapened by approximately 4bps to 16bps while yields on the belly and long-end of the curve declined by approximately 3bps to 26bps. Meanwhile, credit spreads in the “AAA” and “AA” segments have broadly tightened in the short to belly end of the curve, supported by healthy demand for corporate bonds.</p>
<b>Market Outlook</b>	<p>Market will be weighed by a combination of bond bearish news over the next few weeks. Firstly, with the United States (US) Federal Reserve seemingly adamant that rate tightening is not over, bond yields are expected to remain elevated. As a result, the United States Dollar (USD) will continue to remain resilient against most currencies. The weakening trend of Malaysian Ringgit (MYR) may prompt Bank Negara Malaysia (BNM) to act by hiking the Overnight Policy Rate (OPR) by another 25bps in the upcoming Monetary Policy Committee (MPC) meetings. Lastly, the anticipated subsidy rationalization plans by the government may be perceived by the market to induce higher inflation.</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 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> </ol>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

24 August 2023

## ABF Malaysia Bond Index Fund

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	30.06.2023 (unaudited) RM	31.12.2022 (audited) RM
<b>ASSETS</b>			
Investments	4	1,708,809,022	1,646,528,164
Deposits with licensed financial institutions	5	6,539,537	21,598,657
Cash at banks		11,669	11,466
<b>TOTAL ASSETS</b>		<u>1,715,360,228</u>	<u>1,668,138,287</u>
<b>LIABILITIES</b>			
Amount due to Manager	6	150,281	158,334
Amount due to Trustee	7	56,355	54,306
Amount due to Index provider	8	110,572	118,702
Distribution payable		6,579,940	54,012,489
Sundry payables and accruals		62,618	68,198
<b>TOTAL LIABILITIES</b>		<u>6,959,766</u>	<u>54,412,029</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>1,708,400,462</u>	<u>1,613,726,258</u>
<b>EQUITY</b>			
Unit holders’ capital	10(a)	1,531,772,853	1,499,952,603
Retained earnings	10(b)(c)	176,627,609	113,773,655
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	10	<u>1,708,400,462</u>	<u>1,613,726,258</u>
<b>UNITS IN CIRCULATION</b>	10(a)	<u>1,430,421,800</u>	<u>1,402,921,800</u>
<b>NAV PER UNIT (RM) – EX-DISTRIBUTION</b>		<u>1.1943</u>	<u>1.1503</u>

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

## ABF Malaysia Bond Index Fund

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

	Note	01.01.2023 to 30.06.2023 RM	01.01.2022 to 30.06.2022 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income		33,000,659	31,419,544
Net gain/(loss) from investments:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	<u>37,729,110</u>	<u>(74,715,636)</u>
		<u>70,729,769</u>	<u>(43,296,092)</u>
<b>EXPENDITURE</b>			
Manager’s fee	6	(843,437)	(804,093)
Trustee’s fee	7	(337,375)	(321,637)
Licence fee	8	(84,586)	(84,122)
Audit fee		(5,938)	(5,938)
Tax agent’s fee		(2,033)	(2,033)
Other expenses		<u>(22,506)</u>	<u>(15,512)</u>
		<u>(1,295,875)</u>	<u>(1,233,335)</u>
<b>Net gain/(loss) before taxation</b>		69,433,894	(44,529,427)
<b>Taxation</b>	12	<u>-</u>	<u>-</u>
<b>Net gain/(loss) after taxation, representing total comprehensive gain/(loss) for the financial period</b>		<u>69,433,894</u>	<u>(44,529,427)</u>
Total comprehensive gain/(loss) comprises the following:			
Realised income		31,453,521	30,752,774
Unrealised gain/(loss)		<u>37,980,373</u>	<u>(75,282,201)</u>
		<u>69,433,894</u>	<u>(44,529,427)</u>
<b>Distribution for the financial period</b>			
Net distribution	13	<u>6,579,940</u>	<u>-</u>
Gross distribution per unit (sen)	13	<u>0.46</u>	<u>-</u>
Net distribution per unit (sen)	13	<u>0.46</u>	<u>-</u>

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

## ABF Malaysia Bond Index Fund

### STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 January 2023		1,499,952,603	113,773,655	1,613,726,258
Total comprehensive income for the financial period		-	69,433,894	69,433,894
Creation of units	10(a)	31,820,250	-	31,820,250
Distribution	13	-	(6,579,940)	(6,579,940)
Balance at 30 June 2023		<u>1,531,772,853</u>	<u>176,627,609</u>	<u>1,708,400,462</u>
At 1 January 2022		1,499,952,603	148,967,276	1,648,919,879
Total comprehensive loss for the financial period		-	(44,529,427)	(44,529,427)
Balance at 30 June 2022		<u>1,499,952,603</u>	<u>104,437,849</u>	<u>1,604,390,452</u>

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

**ABF Malaysia Bond Index Fund****STATEMENT OF CASH FLOWS (Unaudited)  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023**

	<b>01.01.2023 to 30.06.2023</b>	<b>01.01.2022 to 30.06.2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	102,288,500	78,203,250
Purchase of investments	(128,307,100)	(110,692,500)
Interest received	34,467,511	32,200,420
Manager's fee paid	(851,490)	(812,587)
Trustee's fee paid	(335,326)	(324,914)
Licence fee paid	(92,716)	(45,690)
Payments for other expenses	(36,057)	(27,460)
Net cash generated from/(used in) operating and investing activities	<u>7,133,322</u>	<u>(1,499,481)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	31,820,250	-
Distribution paid	(54,012,489)	-
Net cash used in financing activities	<u>(22,192,239)</u>	<u>-</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,058,917)</b>	<b>(1,499,481)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b><u>21,610,123</u></b>	<b><u>13,679,873</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>6,551,206</u></b>	<b><u>12,180,392</u></b>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	6,539,537	12,168,683
Cash at banks	11,669	11,709
	<u>6,551,206</u>	<u>12,180,392</u>

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



## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 1. GENERAL INFORMATION

ABF Malaysia Bond Index Fund (“the Fund”) was established pursuant to a Deed dated 12 July 2005 as amended by Deeds supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

The Fund was set up with the objective for investors who seek an “index-based” approach to investing in a portfolio of Ringgit Malaysia denominated Government and Quasi-Government debt securities. As provided in the Deeds, the year shall end on 31 December and the units in the Fund were first offered for sale on 13 July 2005.

Pursuant to the Replacement Prospectus dated 6 August 2021 the Fund has changed its investment objective to achieve a total return for the Fund Assets that closely tracks the total return of the Benchmark.

The financial statements were authorised for issue by the Manager on 24 August 2023.

#### 2. BASIS OF PREPARATION OF 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 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

##### Standards effective during the financial period

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

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

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 2. BASIS OF PREPARATION OF 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
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements.</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

#### 3. SUMMARY OF 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) 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.

## **ABF Malaysia Bond Index Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023**

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

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

(i) Interest income (cont'd.)

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.

(ii) 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.

##### **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.

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

##### 3.5 Distribution

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

##### 3.6 Unit holders' capital

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

###### (i) In-Kind Creation

In order for the new units to be created, Participating Dealer (PD) will apply to the Manager for the issue of units on a Dealing Day by generally tendering the In-kind Creation basket which comprise of Creation Securities and the Cash Component (if any).

###### (ii) In-Kind Redemption

Following receipt of Redemption Application from a holder through a PD on each Dealing Day, the Manager may determine the In-Kind Redemption Basket by Redemption Securities and payment in cash of the Cash Component (if any).

##### 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.

## **ABF Malaysia Bond Index Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 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**

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 PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023**

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

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

(i) 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 Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

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

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

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

(i) Classification and measurement (cont'd.)

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

Financial assets at FVOCI (cont'd.)

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". Interest earned element of such instrument is recorded in "Interest income".

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 holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

##### 3.11 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

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

##### 3.11 Derecognition of financial instruments (cont'd.)

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

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

- 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.



## **ABF Malaysia Bond Index Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023**

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

##### **3.13 Determination of fair value**

Investments are stated at fair value on a portfolio basis in accordance with the provisions of the Deed. Fair value is determined based on prices provided by the index provider, Markit Indices Limited, plus accrued interest. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between the adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gain or loss recognised in profit or loss is 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 the 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 Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

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

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

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 4. INVESTMENTS

	30.06.2023 RM	31.12.2022 RM
<b>Financial assets at FVTPL</b>		
At nominal value:		
Cagamas bonds	15,000,000	10,000,000
Quasi-government bonds	130,000,000	105,000,000
Malaysian Government Securities	860,000,000	845,000,000
Government Investment Issues	646,160,000	667,160,000
	<u>1,651,160,000</u>	<u>1,627,160,000</u>
At fair value:		
Cagamas bonds	15,168,963	9,928,408
Quasi-government bonds	140,982,164	110,970,035
Malaysian Government Securities	881,814,928	848,992,846
Government Investment Issues	670,842,967	676,636,875
	<u>1,708,809,022</u>	<u>1,646,528,164</u>

Details of investments as at 30 June 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>Cagamas bonds</b>						
30.09.2024	Cagamas Berhad	AAA	5,000,000	4,980,380	4,965,882	0.29
31.01.2025	Cagamas Berhad	AAA	5,000,000	5,034,085	5,023,356	0.30
04.11.2027	Cagamas Berhad	AAA	5,000,000	5,154,498	5,167,887	0.30
	<b>Total cagamas bond</b>		<u>15,000,000</u>	<u>15,168,963</u>	<u>15,157,125</u>	<u>0.89</u>
<b>Quasi-government bonds</b>						
30.06.2025	Danum Capital Berhad	AAA	5,000,000	5,020,514	4,971,095	0.29
13.02.2026	Danum Capital Berhad	AAA	5,000,000	5,135,595	5,094,477	0.30
27.08.2026	Perbadanan Tabung Pendidikan Tinggi Nasional	NR**	5,000,000	5,215,899	5,148,721	0.31

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Details of investments as at 30 June 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>Quasi-government bonds (cont'd.)</b>						
22.02.2027	Govco Holdings Berhad	NR**	5,000,000	5,225,706	5,108,538	0.31
25.01.2028	Danga Capital Berhad	AAA	5,000,000	4,860,204	4,901,702	0.28
20.10.2028	Prasarana Malaysia Berhad	NR**	5,000,000	4,781,848	4,811,368	0.28
28.09.2029	Prasarana Malaysia Berhad	NR**	5,000,000	5,393,321	5,164,748	0.32
19.10.2029	DanaInfra Nasional Berhad	NR**	5,000,000	5,199,694	5,223,017	0.30
21.09.2033	Danga Capital Berhad	AAA	5,000,000	5,400,404	5,408,490	0.32
31.10.2023	DanaInfra Nasional Berhad	NR**	5,000,000	5,343,296	5,395,432	0.31
21.02.2035	Danum Capital Berhad	AAA	5,000,000	4,661,883	4,735,738	0.27
19.02.2038	DanaInfra Nasional Berhad	NR**	5,000,000	5,608,085	6,007,400	0.33
29.10.2038	The Public Sector Home Financing Board	NR**	10,000,000	10,804,281	10,666,728	0.63
27.05.2039	1Malaysia Development Berhad	NR**	35,000,000	40,795,519	38,086,422	2.39

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Details of investments as at 30 June 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>Quasi-government bonds (cont'd.)</b>						
26.02.2041	Prasarana Malaysia Berhad	NR**	10,000,000	11,245,895	10,478,971	0.66
26.07.2041	Jambatan Kedua Sdn. Bhd.	NR**	5,000,000	5,429,772	5,385,811	0.32
26.07.2041	Perbadanan Tabung Pendidikan Tinggi Nasional	NR**	5,000,000	5,506,691	4,985,568	0.32
18.08.2042	DanaInfra Nasional Berhad	NR**	5,000,000	5,353,557	5,082,907	0.31
<b>Total quasi-government bonds</b>			<b>130,000,000</b>	<b>140,982,164</b>	<b>136,657,133</b>	<b>8.25</b>

#### Malaysian Government Securities

30.09.2024	Government of Malaysia	NR**	30,000,000	30,563,207	30,374,747	1.79
14.03.2025	Government of Malaysia	NR**	30,000,000	30,588,924	30,361,865	1.79
15.09.2025	Government of Malaysia	NR**	42,500,000	43,473,206	43,022,603	2.54
15.04.2026	Government of Malaysia	NR**	20,000,000	20,686,428	20,430,649	1.21
15.07.2026	Government of Malaysia	NR**	20,000,000	20,593,168	20,493,214	1.21
30.11.2026	Government of Malaysia	NR**	30,000,000	30,469,799	30,688,151	1.78
15.03.2027	Government of Malaysia	NR**	20,000,000	20,457,289	20,636,892	1.20
31.05.2027	Government of Malaysia	NR**	20,000,000	19,993,624	20,626,621	1.17
16.11.2027	Government of Malaysia	NR**	30,000,000	30,500,369	30,125,677	1.79

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Details of investments as at 30 June 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>Malaysian Government Securities (cont'd.)</b>						
20.04.2028	Government of Malaysia	NR**	20,000,000	20,056,070	20,141,501	1.17
15.06.2028	Government of Malaysia	NR**	40,000,000	40,270,977	39,039,730	2.36
31.07.2028	Government of Malaysia	NR**	30,000,000	30,315,054	30,482,281	1.77
15.09.2028	Government of Malaysia	NR**	10,000,000	10,880,566	11,200,172	0.64
30.04.2029	Government of Malaysia	NR**	30,000,000	31,405,832	30,767,472	1.84
15.08.2029	Government of Malaysia	NR**	40,000,000	40,849,919	41,509,015	2.39
15.04.2030	Government of Malaysia	NR**	27,500,000	28,988,058	27,613,923	1.70
15.04.2031	Government of Malaysia	NR**	35,000,000	32,374,218	34,493,634	1.90
30.06.2031	Government of Malaysia	NR**	30,000,000	30,816,267	29,815,956	1.80
15.04.2032	Government of Malaysia	NR**	10,000,000	10,265,065	10,433,335	0.60
15.07.2032	Government of Malaysia	NR**	20,000,000	19,902,182	20,183,843	1.16
15.04.2033	Government of Malaysia	NR**	30,000,000	30,182,214	29,205,082	1.77
07.11.2033	Government of Malaysia	NR**	22,500,000	24,085,327	22,821,672	1.41
05.07.2034	Government of Malaysia	NR**	32,500,000	32,646,770	34,675,817	1.91
31.05.2035	Government of Malaysia	NR**	20,000,000	20,501,778	20,259,898	1.20
07.04.2037	Government of Malaysia	NR**	20,000,000	21,672,030	21,063,872	1.27
08.06.2038	Government of Malaysia	NR**	30,000,000	33,021,001	31,195,242	1.93
22.05.2040	Government of Malaysia	NR**	40,000,000	38,303,376	39,638,970	2.24

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Details of investments as at 30 June 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>Malaysian Government Securities (cont'd.)</b>						
15.10.2042	Government of Malaysia	NR**	20,000,000	21,735,245	20,438,143	1.27
30.09.2043	Government of Malaysia	NR**	20,000,000	22,254,638	20,661,885	1.30
15.03.2046	Government of Malaysia	NR**	20,000,000	21,731,143	20,589,932	1.27
06.07.2048	Government of Malaysia	NR**	20,000,000	22,679,150	21,942,736	1.33
15.06.2050	Government of Malaysia	NR**	40,000,000	39,013,166	38,288,965	2.28
31.03.2053	Government of Malaysia	NR**	10,000,000	10,538,868	10,620,054	0.62
<b>Total Malaysian Government Securities</b>			<b>860,000,000</b>	<b>881,814,928</b>	<b>873,843,549</b>	<b>51.61</b>

#### **Government Investment Issues**

15.08.2024	Government of Malaysia	NR**	20,000,000	20,454,388	20,306,092	1.20
15.10.2024	Government of Malaysia	NR**	25,000,000	25,280,835	25,261,465	1.48
15.08.2025	Government of Malaysia	NR**	25,000,000	25,729,593	25,412,680	1.51
15.10.2025	Government of Malaysia	NR**	28,500,000	29,070,190	28,700,168	1.70
31.03.2026	Government of Malaysia	NR**	30,000,000	30,457,163	30,913,070	1.78
30.09.2026	Government of Malaysia	NR**	25,000,000	25,695,825	25,428,000	1.50
15.06.2027	Government of Malaysia	NR**	20,000,000	20,269,450	20,126,083	1.19
26.07.2027	Government of Malaysia	NR**	20,000,000	20,872,838	20,512,544	1.22
30.09.2027	Government of Malaysia	NR**	30,000,000	30,058,939	31,149,272	1.76

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Details of investments as at 30 June 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>Government Investment Issues</b>						
31.10.2028	Government of Malaysia	NR**	30,000,000	31,228,275	30,410,726	1.83
06.12.2028	Government of Malaysia	NR**	10,000,000	10,650,950	10,194,506	0.62
09.07.2029	Government of Malaysia	NR**	36,160,000	37,637,244	37,491,723	2.20
30.09.2030	Government of Malaysia	NR**	30,000,000	31,147,815	30,784,181	1.82
15.10.2030	Government of Malaysia	NR**	32,500,000	32,036,867	33,052,083	1.88
07.10.2032	Government of Malaysia	NR**	20,000,000	20,654,599	19,825,668	1.21
15.06.2033	Government of Malaysia	NR**	20,000,000	21,354,503	20,226,495	1.25
30.08.2033	Government of Malaysia	NR**	30,000,000	32,212,891	30,372,310	1.89
30.11.2034	Government of Malaysia	NR**	35,000,000	35,693,926	37,638,983	2.09
31.10.2035	Government of Malaysia	NR**	20,000,000	21,713,061	20,683,830	1.27
15.07.2036	Government of Malaysia	NR**	19,000,000	18,111,680	19,327,123	1.06
04.08.2037	Government of Malaysia	NR**	20,000,000	21,854,086	21,954,392	1.28
31.03.2038	Government of Malaysia	NR**	10,000,000	10,793,264	10,048,146	0.63
15.09.2039	Government of Malaysia	NR**	30,000,000	31,552,412	31,842,230	1.85
30.09.2041	Government of Malaysia	NR**	20,000,000	20,806,703	20,725,352	1.22
14.08.2043	Government of Malaysia	NR**	10,000,000	10,330,282	10,485,696	0.60
08.05.2047	Government of Malaysia	NR**	20,000,000	22,126,604	20,523,605	1.30

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Details of investments as at 30 June 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>Government Investment Issues (cont'd.)</b>						
15.11.2049	Government of Malaysia	NR**	20,000,000	21,206,993	20,793,805	1.24
15.05.2052	Government of Malaysia	NR**	10,000,000	11,841,591	11,266,241	0.69
<b>Total Government Investment Issues</b>			<b>646,160,000</b>	<b>670,842,967</b>	<b>665,456,469</b>	<b>39.27</b>
<b>Total financial assets at FVTPL</b>			<b>1,651,160,000</b>	<b>1,708,809,022</b>	<b>1,691,114,276</b>	<b>100.02</b>
<b>Excess of fair value over adjusted cost</b>				<b>17,694,746</b>		

The weighted average effective yield on investments are as follows:

	30.06.2023 %	Effective yield* 31.12.2022 %
Cagamas bonds	3.83	4.04
Quasi-government bonds	4.12	4.47
Malaysian Government Securities	3.80	4.08
Government Investment Issues	3.79	4.12

\* As provided by Markit Indices Limited.

\*\* Non-Rated



## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

Analysis of the remaining maturity of investments as at 30 June 2023 and 31 December 2022 are as follows:

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
<b>30.06.2023</b>			
At nominal value:			
Cagamas bonds	-	15,000,000	-
Quasi-government bonds	-	25,000,000	105,000,000
Malaysian Government Securities	-	302,500,000	557,500,000
Government Investment Issues	-	223,500,000	422,660,000
	<u>-</u>	<u>550,000,000</u>	<u>980,160,000</u>
<b>31.12.2022</b>			
At nominal value:			
Cagamas bonds	-	10,000,000	-
Quasi-government bonds	5,000,000	20,000,000	80,000,000
Malaysian Government Securities	-	297,500,000	547,500,000
Government Investment Issues	-	243,500,000	423,660,000
	<u>5,000,000</u>	<u>571,000,000</u>	<u>951,160,000</u>

#### 5. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	30.06.2023 RM	31.12.2022 RM
At nominal value:		
Short-term deposit	<u>6,539,000</u>	<u>21,597,000</u>
At carrying value:		
Short-term deposit	<u>6,539,537</u>	<u>21,598,657</u>

Details of deposits with licensed financial institutions are as follows:

Maturity date	Financial institution	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
<b>30.06.2023</b>				
<b>Short-term deposit</b>				
03.07.2023	CIMB Bank Berhad	<u>6,539,000</u>	<u>6,539,537</u>	<u>0.38</u>

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

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

	Weighted average effective interest rate		Weighted average remaining maturities	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	%	%	Days	Days
Short-term deposit	3.00	2.80	3	3

#### 6. AMOUNT DUE TO MANAGER

	30.06.2023	31.12.2022
	RM	RM
<b>Due to Manager</b>		
Manager's fee payable	150,281	158,334

Manager's fee is at a rate of 0.10% (31.12.2022: 0.10%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.04% (31.12.2022: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis.

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

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 8. AMOUNT DUE TO INDEX PROVIDER

Amount due to Index provider is the licence fee payable to Markit Indices Limited, the provider of the benchmark index.

Licence fee is calculated on a daily basis at the following rate:

Fund size	% p.a.
<b>From 1 July 2008 onwards</b>	
For amount equal to or less than Initial Funding	0.0175
For amount above Initial Funding, but equal to or less than 275% of Initial Funding	0.01
For amount above 275% of Initial Funding	No charge

Subject to a minimum annual fee of USD21,234

\* Initial Funding for the Fund was USD115,400,000.

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

	01.01.2023 to 30.06.2023 RM	01.01.2022 to 30.06.2022 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
- Net realised (loss)/gain on sale of investments	(251,263)	566,565
- Net unrealised gain/(loss) on changes in fair values of investments	37,980,373	(75,282,201)
	<u>37,729,110</u>	<u>(74,715,636)</u>

#### 10. TOTAL EQUITY

Total equity is represented by:

	Note	30.06.2023 RM	31.12.2022 RM
Unit holders' capital	(a)	1,531,772,853	1,499,952,603
Retained earnings			
- Realised income	(b)	158,932,863	134,059,282
- Unrealised gain/(loss)	(c)	17,694,746	(20,285,627)
		<u>1,708,400,462</u>	<u>1,613,726,258</u>

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

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

	30.06.2023		31.12.2022	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	1,402,921,800	1,499,952,603	1,402,921,800	1,499,952,603
Creation during the financial period/year	27,500,000	31,820,250	-	-
At end of the financial period/year	<u>1,430,421,800</u>	<u>1,531,772,853</u>	<u>1,402,921,800</u>	<u>1,499,952,603</u>

##### (b) Realised – distributable

	30.06.2023 RM	31.12.2022 RM
At beginning of the financial period/year	134,059,282	125,286,651
Net realised income for the financial period/year	31,453,521	62,785,120
Distribution out of realised income	<u>(6,579,940)</u>	<u>(54,012,489)</u>
At end of the financial period/year	<u>158,932,863</u>	<u>134,059,282</u>

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

	30.06.2023 RM	31.12.2022 RM
At beginning of the financial period/year	(20,285,627)	23,680,625
Net unrealised gain/(loss) for the financial period/year	37,980,373	(43,966,252)
At end of the financial period/year	<u>17,694,746</u>	<u>(20,285,627)</u>

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

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

##### Related parties

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

##### Relationships

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

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONT'D.)

	30.06.2023		31.12.2022	
	Number of units	RM	Number of units	RM
AmInvestment Bank Berhad*	16,514,130	19,668,329 <sup>^</sup>	34,247,630	39,453,270 <sup>^</sup>

\* The financial institution related to the Manager is the legal and beneficial owner of the units. The Manager did not hold any units in the Fund as at 30 June 2023 and 31 December 2022.

<sup>^</sup> Closing quoted price published on Bursa Malaysia Berhad as at 30 June 2023 was RM1.1910 (31.12.2022: RM1.1520)

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

	30.06.2023 RM	31.12.2022 RM
<b>Significant related party balances</b>		
<u>AmBank (M) Berhad</u>		
Cash at banks	976	991

#### 12. TAXATION

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

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:

	01.01.2023 to 30.06.2023 RM	01.01.2022 to 30.06.2022 RM
Net income/(loss) before taxation	69,433,894	(44,529,427)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	16,664,135	(10,687,062)
Tax effects of:		
Income not subject to tax	(17,035,448)	(7,677,008)
Loss not allowed for tax deduction	60,303	18,068,070
Restriction on tax deductible expenses for exchange traded fund	183,465	174,967
Non-permitted expenses for tax purposes	107,160	101,593
Permitted expenses not used and not available for future financial periods	20,385	19,440
Tax expense for the financial period	-	-

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 13. DISTRIBUTION

Distribution to unit holders for the financial period is from the following sources:

	<b>01.01.2023 to 30.06.2023 RM</b>
Interest income	33,000,659
Net realised loss on sale of investments	<u>(251,263)</u>
	32,749,396
Less: Expenses	<u>(1,295,875)</u>
Realised income for the financial period	31,453,521
Previous period's undistributed realised income	<u>134,059,282</u>
Total realised income available for distribution	165,512,803
Less : Declared income distribution	<u>(6,579,940)</u>
Balance undistributed realised income	<u>158,932,863</u>
Gross distribution per unit (sen)	<u>0.46</u>
Net distribution per unit (sen)	<u>0.46</u>
Cum-Distribution - 22 June 2023	
NAV	<u>1,711,984,510</u>
NAV per unit	<u>1.1968</u>
Ex-Distribution - 22 June 2023	
NAV	<u>1,705,404,570</u>
NAV per unit	<u>1.1922</u>

Details of distribution to unit holders for the financial period are as follows:

#### Financial period ended 30 June 2023

<b>Distribution Ex-date</b>	<b>Gross distribution per unit RM (sen)</b>	<b>Net distribution per unit RM (sen)</b>	<b>Total distribution RM</b>
22 June 2023	<u>0.46</u>	<u>0.46</u>	<u>6,579,940</u>

Gross distribution per unit is derived from gross realised income less expense 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.

\* The payment date for the distribution declared was on 12 July 2023.

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 14. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.01.2023 to 30.06.2023 % p.a.	01.01.2022 to 30.06.2022 % p.a.
Manager’s fee	0.05	0.05
Trustee’s fee	0.02	0.02
Licence fee	0.01	0.01
Fund’s other expenses	-*	-*
Total TER	<u>0.08</u>	<u>0.08</u>

\* represents less than 0.01%

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 0.07 times (01.01.2022 to 30.06.2022: 0.06 times).

#### 16. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund’s investments are made in the form of fixed income instruments in Malaysia. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business or geographical segments.

#### 17. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with financial institutions for the financial period ended 30 June 2023 are as follows:

Financial institutions	Transaction value	
	RM	%
Citibank (M) Bhd.	70,796,556	31.14
Standard Chartered Bank Malaysia Berhad	57,352,205	25.22
CIMB Bank Berhad	26,218,076	11.53
JP Morgan Securities (M) Sdn. Bhd.	21,105,771	9.28
United Overseas Bank (Malaysia) Bhd.	15,902,220	7.00
Bank Islam Malaysia Berhad	15,760,678	6.93
AmBank (M) Berhad*	14,912,702	6.56
Malayan Banking Berhad	5,324,986	2.34
Total	<u>227,373,194</u>	<u>100.00</u>

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

#### 17. TRANSACTIONS WITH FINANCIAL INSTITUTIONS (CONT'D.)

\* A financial institution related to the Manager.

The Manager 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 are in respect of fixed income instruments. Transactions in these investments 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.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>30.06.2023</b>				
<b>Assets</b>				
Investments	1,708,809,022	-	-	1,708,809,022
Deposits with licensed financial institutions	-	6,539,537	-	6,539,537
Cash at banks	-	11,669	-	11,669
Total financial assets	<u>1,708,809,022</u>	<u>6,551,206</u>	<u>-</u>	<u>1,715,360,228</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	150,281	150,281
Amount due to Trustee	-	-	56,355	56,355
Amount due to Index provider	-	-	110,572	110,572
Distribution payable	-	-	6,579,940	6,579,940
Total financial liabilities	<u>-</u>	<u>-</u>	<u>6,897,148</u>	<u>6,897,148</u>



ABF Malaysia Bond Index Fund

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

18. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>31.12.2022</b>				
<b>Assets</b>				
Investments	1,646,528,164	-	-	1,646,528,164
Deposits with licensed financial institutions	-	21,598,657	-	21,598,657
Cash at banks	-	11,466	-	11,466
Total financial assets	<u>1,646,528,164</u>	<u>21,610,123</u>	<u>-</u>	<u>1,668,138,287</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	158,334	158,334
Amount due to Trustee	-	-	54,306	54,306
Amount due to Index provider	-	-	118,702	118,702
Distribution payable	-	-	54,012,489	54,012,489
Total financial liabilities	<u>-</u>	<u>-</u>	<u>54,343,831</u>	<u>54,343,831</u>
			<b>Income, expenses, gains and losses</b>	
			<b>01.01.2023 to 30.06.2023 RM</b>	<b>01.01.2022 to 30.06.2022 RM</b>
Net gain/(loss) from financial assets at FVTPL			37,729,110	(74,715,636)
Income, of which derived from:				
– Interest income from financial assets at FVTPL			32,715,467	31,270,953
– Interest income from financial assets at amortised cost			<u>285,192</u>	<u>148,591</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;

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

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

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:

	Level 1 RM	Level 2 RM (Note 4)	Level 3 RM	Total RM
<b>30.06.2023</b>				
Financial assets at FVTPL	-	1,708,809,022	-	1,708,809,022
<b>31.12.2022</b>				
Financial assets at FVTPL	-	1,646,528,164	-	1,646,528,164

##### (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:

- Deposits with licensed financial institutions
- Cash at banks
- Amount due to Manager
- Amount due to Trustee
- Amount due to Index provider
- Distribution payable

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.

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

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

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity 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 investments restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Exchange Traded Funds 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) Interest rate risk

Interest rate risk will affect the value of the Fund's investments, given the interest rates 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 summarised the interest rate sensitivity of the Fund's NAV, or theoretical value due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Percentage shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	30.06.2023	31.12.2022
	RM	RM
+100 bps	(114,016,306)	(108,400,692)
-100 bps	128,855,007	122,387,291

##### (b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund can invests up to 100% of the NAV in fixed income instruments. As such the Fund would be exposed to the risk of bond issuers and financial institutions defaulting on its repayment obligations which in turn would affect the NAV of the Fund.

**ABF Malaysia Bond Index Fund**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 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 30 June 2023 and 31 December 2022:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of debt securities</b>	<b>As a % of NAV</b>
<b>30.06.2023</b>			
AAA	40,247,563	2.36	2.34
NR*	1,668,561,459	97.64	97.68
	<u>1,708,809,022</u>	<u>100.00</u>	<u>100.02</u>
<b>31.12.2022</b>			
AAA	39,479,348	2.40	2.45
NR*	1,607,048,816	97.60	99.58
	<u>1,646,528,164</u>	<u>100.00</u>	<u>102.03</u>

For deposits with financial institutions, the Fund only makes placements with financial institutions with sound rating of P1/MARC-1 and above. The following table presents the Fund's portfolio of deposit by rating category as at 30 June 2023 and 31 December 2022:

<b>Credit rating</b>	<b>RM</b>	<b>As a % of deposits</b>	<b>As a % of NAV</b>
<b>30.06.2023</b>			
P1/MARC-1	<u>6,539,537</u>	<u>100.00</u>	<u>0.38</u>
<b>31.12.2022</b>			
P1/MARC-1	<u>21,598,657</u>	<u>100.00</u>	<u>1.34</u>

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

## ABF Malaysia Bond Index Fund

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 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 30 June 2023 and 31 December 2022:

Sectors	RM	As a % of debt securities	As a % of NAV
<b>30.06.2023</b>			
Construction and Engineering	5,429,773	0.32	0.32
Diversified holdings	25,078,600	1.47	1.46
Financial services	58,226,477	3.41	3.40
Public finance	1,598,653,107	93.55	93.58
Transportation	21,421,065	1.25	1.26
	<u>1,708,809,022</u>	<u>100.00</u>	<u>100.02</u>
<b>31.12.2022</b>			
Diversified holdings	29,550,940	1.79	1.84
Financial services	35,920,299	2.18	2.21
Public finance	1,565,013,221	95.05	96.98
Transportation	16,043,704	0.98	1.00
	<u>1,646,528,164</u>	<u>100.00</u>	<u>102.03</u>

There is no geographical risk as the Fund invests only in investments in Malaysia.

##### (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 unit holders. 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.

ABF Malaysia Bond Index Fund

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 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:

	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>30.06.2023</b>						
<b>Financial assets</b>						
Investments	68,238,969	187,964,290	213,332,340	201,593,357	200,872,553	1,480,826,590
Deposits with licensed financial institutions	6,540,612	-	-	-	-	-
Cash at banks	11,669	-	-	-	-	-
<b>Total assets</b>	<b>74,791,250</b>	<b>187,964,290</b>	<b>213,332,340</b>	<b>201,593,357</b>	<b>200,872,553</b>	<b>1,480,826,590</b>
<b>Financial liabilities</b>						
Amount due to Manager	150,281	-	-	-	-	-
Amount due to Trustee	56,355	-	-	-	-	-
Amount due to Index provider	110,572	-	-	-	-	-
Distribution payable	6,579,940	-	-	-	-	-
Sundry payables and accruals	62,618	-	-	-	-	-
<b>Total liabilities</b>	<b>6,959,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

ABF Malaysia Bond Index Fund

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 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>31.12.2022</b>						
<b>Financial assets</b>						
Investments	72,771,100	232,436,463	186,408,478	190,090,674	194,548,803	1,446,394,492
Deposits with licensed financial institutions	21,603,627	-	-	-	-	-
Cash at banks	11,466	-	-	-	-	-
<b>Total assets</b>	<b>94,386,193</b>	<b>232,436,463</b>	<b>186,408,478</b>	<b>190,090,674</b>	<b>194,548,803</b>	<b>1,446,394,492</b>
<b>Financial liabilities</b>						
Amount due to Manager	158,334	-	-	-	-	-
Amount due to Trustee	54,306	-	-	-	-	-
Amount due to Index provider	118,702	-	-	-	-	-
Distribution payable	54,012,489	-	-	-	-	-
Sundry payables and accruals	68,198	-	-	-	-	-
<b>Total liabilities</b>	<b>54,412,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **ABF Malaysia Bond Index Fund**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023**

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

##### **(d) Regulatory risk**

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

##### **(e) Management risk**

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

##### **(f) Non-compliance risk**

This is the risk of the Manager or the Trustee not complying with the respective internal policies, the Deed and its Supplemental Deed, securities law 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 unit holders' 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 unit holders by way of redemption of units.

No changes were made in the objective, policies or processes during the financial period/year ended 30 June 2023 and 31 December 2022.



## **ABF Malaysia Bond Index Fund**

### **STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (“the Manager”), do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of ABF Malaysia Bond Index Fund (“the Fund”) as at 30 June 2023 and the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

24 August 2023

## DIRECTORY

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Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*

