

**Amundi Bond
Global Emerging
Blended Fund**

Annual Report
2022

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

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GENERAL INFORMATION ABOUT THE FUND

Launch and Commencement Date

The Amundi Bond Global Emerging Blended Fund (the “Fund”) was launched on 14 February 2017 and commenced on 17 April 2017.

Fund Name, Category, Type

Fund Name	Amundi Bond Global Emerging Blended Fund
Fund Category	Wholesale - Feeder fund (fixed income)
Fund Type	Growth and income

Investment Objective

The Fund aims to achieve investment returns by investing in Amundi Funds Bond Global Emerging Blended (the “Target Fund”) which aims to outperform the reference indicator composed to 50% of “JP Morgan EMBI Global Diversified EUR Hedged” index and to 50% of “JP Morgan ELMI+” index (denominated in local currencies and converted in EUR) over an investment horizon of at least three years after taking into account charges.

Investment Policy and Strategy

The Fund will invest a minimum of 90% of the NAV of the Fund in the Target Fund; the balance of the Fund will be invested in liquid assets.

As the Fund is a wholesale feeder fund, the investments of the Fund will consist of a single collective investment scheme, i.e. the Target Fund.

The Manager will monitor the investment objective of the Target Fund to ensure that it is consistent with the investment objective of the Fund. In view of the aforesaid, the Fund will not undertake any temporary defensive position. Accordingly, the Fund’s performance will be directly correlated to the performance of the Target Fund subject to the Fund’s currency hedging strategy being successful.

As the Target Fund is denominated in EUR, the Manager will invest in currency forwards at the Class level (where necessary) to reduce exposure to foreign exchange fluctuations.

If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek Unit Holders’ approval before any such changes are made.

The asset allocation of the Fund will be as follows:

- Minimum 90% of the NAV of the Fund will be invested in the Target Fund;
- Up to 10% of the NAV of the Fund will be invested in liquid assets.

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Additional Information:

The Second Supplementary Information Memorandum of the Fund, dated 26 August 2021 was issued by Amundi Malaysia Sdn. Bhd. ("the Manager") to include the management process to promote environmental, social and governance characteristics of the Target Fund's assets and in this regard, specific risks relating to the Target Fund have been updated. For further details, please refer to the attached Second Supplementary Information Memorandum which was provided earlier; or visit our website using the following link

<https://www.amundi.com.my/retail/product/view/MYU9600AD000>

Distribution Policy and Distribution Mode

In line with the distribution policy of the Target Fund, it is intended that the Fund will distribute income at least once a year, subject to availability of income. Distribution will be reinvested as additional units of the Fund at the NAV per unit on the distribution payment date.

MANAGER'S REPORT

Market Review

Starting the period with May, broader risk appetite proved choppy as US Treasury yields steadied for the second month in a row, ending the month well-bid. A considerable overshoot in the US April inflation print fuelled a debate about the transient nature of inflation, however, weaker-than-expected employment growth renewed dovish commitment by the Fed, with the market assessing early tapering as likely off-the-table. This consolidation period led to a ~15bps decline in 10-year US Treasury yields, and to nearly a full 25bps rate hike being removed from market expectations of cumulative rate hikes by end-2023.

Global Covid-19 cases declined and the vaccination gap between Emerging Markets (EM) and Developed Markets (DM) narrowed further. The vaccination campaign is progressing quickly across DM. Among EM, India has passed the peak of new cases, while other EM, such as South Africa, have been experiencing some resurgence of the pandemic. On commodities, gold appreciated 7.8% while on the other side, Bitcoin and other cryptocurrencies that had been very strong performers in the year to date period, saw sharp falls amidst concerns over their environmental friendliness and a regulatory crackdown in China. Against this backdrop, the US dollar weakened against most major currencies, particularly in the second half of May, as Fed speakers marked the surge in inflation up to “transitory” factors while employment has been continuously underwhelming.

Moving on to inflation in the EM, April data showed further pick up, with the notable exception of India. Main inflation drivers have been food prices and oil and commodity prices, while demand pressure remains still mostly absent. Even though more countries reached inflation levels above their respective Central Banks' targets compared to previous month's data (Hungary, Poland, Czech Republic, Thailand and Malaysia), the 2021 picture remains benign (on average within the central bank inflation targets) and inflation is at or close to the peak in most emerging markets.

On idiosyncratic stories, political developments have once again been at the driver's seat in Latin America. Near term, the market is mostly focused on Mexico's midterm election (6 June), Peru's presidential runoff (6 June), and Colombia's fiscal reform and rating moves. In particular, S&P downgraded Colombia's rating by one notch, leading the country's USD debt below IG at 'BB+'. The outlook was changed to stable. Local currency debt is still rated one notch above at 'BBB-'. The move follows the withdrawal of the original fiscal bill, which S&P had initially seen optimistically and had led them to affirm ratings in April. Their view is that the likelihood of a structural adjustment following this event is now low. They acknowledge that the MoF is currently drafting a new tax bill, but do not expect a permanent adjustment to come from it. The stable outlook reflects expectations of a return to growth and for fiscal deficits to adjust enough to stabilize debt above 60% of GDP. Colombia is still rated investment grade overall as investors watch the next steps from Fitch and Moody's.

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The Paris Club signalled willingness to delay receipt of Argentina's \$2.4 billion in payments, subject to yet-to-be specified conditions. Bloomberg reported that there would be willingness to give some breathing room to Argentina allowing them to negotiate with the IMF first.

Moving on to Asia and China, the Chinese yuan climbed to a 3-year high as USD-CNH exchange rate broke below 6.40 and the fixing reached a 3-year low. This is partly attributed to the strong foreign portfolio investments on equity into China, due to the semi-annual MSCI index rebalancing. The PBoC issued a statement saying that the currency could not be used as a tool to spur exports or blunt inflation. They also announced to hike the foreign currency required reserve ratio (RRR) by 2% to 7% effective June 15th. This is the first time the PBoC has adjusted the require rate of return (RRR) since 2007.

June saw ongoing strong data across developed markets as economies continued to progressively open up. The US saw unemployment fall from 6.1% in April to 5.8% in May and the closely watched non-farm payroll number showed that 559 thousand new jobs had been added. With these strong numbers, also came a higher inflation reading as the consumer price index (CPI index) saw year-on-year inflation pick up to 5%. Despite these higher numbers, at the June meeting of the US Federal Reserve FOMC, base rates were left on hold at 0.25%. President Biden's \$1.2tn infrastructure bill was a step closer to becoming a reality after cross-partisan support from senators and President Biden met Russia's President Putin in Geneva, Switzerland, to discuss matters of national security. Both sides adopted a more conciliatory tone, agreeing to extend the Strategic Arms Reduction Treaty (START) for another five years and agreeing to distribute Covid-19 vaccines globally.

In Europe, similar employment trends were seen, as the Eurozone employment rate fell from 8.1% in April to 7.9% in May. After touching 2.0% in April, European consumer price inflation fell back down to 1.9% in May, perhaps reflecting that in many places precautions have risen slightly as cases of the Delta Covid-19 variant have been seen to rise. At their June meeting, the ECB decided to keep rates on hold while stating that they would need to see inflation within the Eurozone converge to their target of 2.0% over a consistent period. Developed markets "G7" leaders met in Cornwall, UK discuss how to combat climate change as the world emerges from the Covid-19 crisis.

With cases of the delta variant of Covid-19 picking up globally, the liquid / tradable universe of EM are now vaccinating 0.75% of their population each day vs 0.59% for DM, with the closing of the gap predominantly driven by China, according to UBS. Most DM government bond yields fell over the period, with the 10-year US treasury yield falling by 13 bps to end the month at 1.47%. The US yield curve also flattened after short-dated yields rose; the US treasury 2-year yield rose by 11 bps to 0.25%, in relative terms a very large move. 10-year German bund yields fell 2 bps to end the month at -0.21%.

Moving on to emerging markets, on the monetary policy side, the Bank of Mexico surprised markets by increasing rates for the first time since 2018 to 4.25% from 4.0%. The Brazilian Central Bank also hiked policy rates by 75bps to 4.25%, opening the door for an accelerated pace of hikes. In Eastern Europe, the central bank of Hungary hiked rates by 30bps to 0.9% in line with expectations, but adopted a more hawkish tone, while the central bank of Czech Republic hiked rates by 25 bps to 0.5%. Moving on to idiosyncratic stories, President of Mexico

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Andres Manuel Lopez Obrador (AMLO) pledged to propose further constitutional changes despite his coalition's failure to obtain a two-thirds majority in the mid-term parliamentary election. In Peru, Presidential candidate Keiko Fujimori claimed the presidential run-off was fraudulent after she lost the election by a very small margin ~50k votes.

The key development over Q3.2021 was the shift in the tone of DM central banks, with a gradual move from easy policies towards some normalisation in monetary policy amidst higher inflation prints. The Investment Manager has highlighted previously that this was already underway in EM economies since several months.

US treasuries moved higher towards the end of the quarter, the 10Y UST yield rose by ~18 bps in September, as both actual inflation and inflation expectations have remained sticky. Energy prices moved sharply higher particularly since mid-August, partly due to rising demand from a fading delta variant, partly due to Hurricane Ida, but also due to higher natural gas prices. The ongoing supply-chain challenges for products like semiconductors have also lifted inflation anxiety across global markets, as shipping and transport costs have remain elevated.

Following the hawkish tilt in the Fed narrative at the June FOMC meeting, in September the Fed announced that it will soon (likely in November) begin to slow the pace of its asset purchases, aiming to end their taper program by mid-2022. The meeting also resulted in a more aggressive indication of rate hikes than prevalent market pricing, as the median projection for the first rate hike was brought forward into 2022 from 2023. The median dot plot projections also showed 3 hikes in 2023, and 3 more hikes in 2024.

Chinese growth numbers broadly surprised on the downside, mainly driven by regulatory tightening. To recap: first, China's move to turn private tutoring companies into non-profit organisations worried risk sentiment, with questions around measures around other sectors. Next, there were more regulations on the technology sector including a ban on children playing computer games for more than three hours per week. Finally, investors contended with fears around the potential default of a large Chinese property developer and potential spill-over effects. More recently, ongoing power shortage in China contributed to uncertainty.

The EM monetary policy mix has relatively tightened: in Asia, the central bank of Korea raised rates. Colombia joined other hiking Latin American central banks of Brazil, Chile, Peru and Mexico. In CEEMEA, the central banks of Czech Republic, Hungary, Russia and Ukraine also raised their policy rates over the quarter. In contrast, Turkey's central bank lowered its policy rate, despite higher inflation and against consensus expectations, noting that a revision of its monetary policy stance was needed as past monetary tightening was now dampening credit, domestic demand and commercial loans.

EM sovereign issuance increased significantly in September, with a total of ~\$20billion. This was roughly evenly split between IG and HY with the likes of Abu Dhabi, Hungary, Indonesia and Chile in the IG space versus Maldives, Turkey, Nigeria, Egypt and Guatemala in the HY space. The Investment Manager also saw ESG sovereign issuance from Chile with two social bonds and the first ESG bond from Serbia.

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EMs have been faring better in terms of Covid-19 developments; mobility and momentum data had shown improvements in LATAM and CEEMEA already. Meanwhile, more recent data indicated that the number of cases appear to have peaked (though at different paces) and some restrictions have been lifted across Asia. At the same time, the vaccination rollout has sped up.

Inflation and Covid-19 remained in focus in the final quarter of 2021. Starting with US monetary policy, the quarter started with the Fed maintaining its view that inflation in the short term remains “transitory”. Shortly thereafter, Jerome Powell was re-appointed Fed Chair and rang a hawkish bell, thus leading safe haven assets to rally on increased risk aversion. In December, the Fed announced an accelerated pace in the tapering of its QE programme. The program is now set to end by March 2022, thereby giving the Fed room for earlier policy rate hikes. Despite the change in the Fed rhetoric, expectations of a more aggressive tapering and earlier rate hikes did not result in large movements overall in the US 10 year yield, which rose 60 bps in 2021, to end the year at 1.51%.

On Covid-19, a new variant named “Omicron” quickly spread across the globe. Findings on the new mutation indicated a high degree of infectiousness and prompted concerns over intensified public health measures and slower-than-expected growth. Omicron then dominated headlines and led to renewed restrictions in many countries. There are glimmers of hope however as the new variant appears to be mild compared to the Delta variant, with notably less severe cases and shorter hospitalisation times. After an initial sell-off, markets partially recovered in the run-up to the year-end as investors continue to contemplate the virus still being a significant factor in the 2022 outlook.

The upside inflation surprises drove EM central banks to front load the tightening bias. Eastern Europe (Poland, Czech Republic and Hungary) and LatAm (Mexico, Chile, Colombia, Peru amongst others) have been at the forefront of the normalization process with a stronger than expected hiking cycle. In Brazil, the central bank took the policy rate even further into restrictive levels in 150bps clips until year-end and terminal rate in double digits. The Investment Manager saw increased volatility in the Brazilian markets during the quarter due to a number of factors. Firstly, the Treasury Secretary resigned after President Bolsonaro pressured for the constitutional expenditure cap to be softened. In addition, the Lower House of Congress proposed a constitutional amendment bill retroactively, changing the inflation adjustment. Third, the government announced a temporary support to truck drivers to alleviate the impact of higher fuel prices, and finally, the annual payment of court-ordered debts was limited to the 2016 value, increasing the 2022 primary fiscal deficit.

In China, macroeconomic data have broadly surprised on the downside at the start of Q4.2021, with exports being the only exception. Policy tightening (housing), self-imposed constraints (zero tolerance Covid-19 policy, de-carbonisation production cut/ power shortage/ electricity rationing), and global chip shortage all contributed to the country's slowdown. Later in the quarter, China eased its policy with a 50bps cut in Reserve Requirement Ratio and a 5 bps cut in the Loan Prime Rate. The Investment Manager expects overall macro policies to turn more risk-friendly in 2022. The recent RRR cut by the PBoC will effectively release ~RMB1.2tn of liquidity into the system. This move is a positive signal, driven by the need to encourage more lending, support growth and ensure sufficient liquidity. The Investment Manager expects

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further easing measures from here on as the Chinese authorities prioritize stability and housing sector support.

Against the monetary policy tightening current, in Turkey, the central bank cut its policy rates by 100bps to 14% in December, even as inflation soared to 36%. The central bank maintained the midterm inflation target of 5%, stating the monetary policy would be designed to gradually reach the goal. The administration announced a number of new measures including: 1) 50% increase in the minimum wage by 2022, 2) income tax and stamp taxes will be abolished for all wages up to the amount of the new minimum wage, 3) FX-indexed TRY deposits: if TRY depreciation exceeds TRY interest rate than the deposit holders will be compensated by the difference by the Treasury and exempt from tax, 4) raised electricity prices by 50-100% for households and companies. Finally, on the geopolitical front, tension continued building up between Russia and a number of other countries over Ukraine. A statement from the White House indicated that President Biden “made clear that the United States and its allies and partners will respond decisively if Russia further invades Ukraine.” That followed a separate phone call between the US and Russia, who are set to begin talks in Geneva, ahead of a meeting of the NATO-Russia Council on January 12.

Moving to the first quarter of 2022, market concerns around rising geopolitical tensions, worsening growth/inflation arising from the spike in commodity prices, and higher DM policy rates, have driven volatility up across the board. The first sentiment surveys following Russia’s invasion of Ukraine reflect continued inflation concerns and downbeat assessments of current economic conditions, particularly in Europe. Early US activity surveys have been strong for the services sector, but mixed for manufacturing.

Over the quarter, a coalition of major global economies imposed further sanctions on Russia. While earlier sanctions focused on the financial account and the central bank’s reserves, recent sanctions have targeted Russia’s trade balance. In March, President Biden visited US troops in Poland, President Zelensky signalled that he may be willing to accept one of Russia’s conditions for cease-fire, and Ukrainian and Russian delegations continued to meet for further discussions.

Oil prices moved higher peaking at \$139 a barrel, before paring gains to end March up 6.9%. The key drivers have been the threat of reduced Russian oil supplies, lack of OPEC spare capacity, low commercial inventory levels and, still robust demand growth.

Russia has shown willingness to pay sovereign bondholders, but technical pressure remains as bonds exit major indices. Sovereign bond payments made their way to creditors via custodians, despite some uncertainty. Remaining interest repayments continue to keep investors anxious. The country was excluded from JP Morgan’s hard currency and local currency indices on March 31st. Belarus was also removed from hard currency indices. JP Morgan set the index market value for all debt from Russia and Belarus to zero.

The Fed started normalising policy in this cycle, delivering a 25 bps rate hike in March. Yields moved higher over the quarter as Chair Powell sounded hawkish. Market expectations for the Fed shifted substantially to price more than 225bps of rate hikes by end-2022. The curve

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continued to flatten, the 2Y yield exceeded the 30Y for the first time since 2007, joining inversions on other parts of the curve. The rise in yields was also seen in the UK and Eurozone. Asia central banks have largely prioritised slowing growth with the exception of the central bank of Taiwan – which raised by policy rates by 25bps, coherently with the Fed. LatAm central banks continued normalising policy: Peru & Mexico (50bps), Chile & Brazil (150bps). In CEEMEA, central banks also raised policy rates including Hungary (100bps), Poland (75bps), Czech Republic (50bps), and South Africa (25bps). Following the 10.5% interest rate hike, the Russian central bank kept its policy rate unchanged, claiming it to be “effective for now” in taming inflation.

The International Monetary Fund board ratified an agreement with Argentina to refinance the country’s \$45 billion debt, bringing to an end long negotiation. Finally, on Covid-19, China experienced the worst outbreak since 1Q20, local governments - including major cities Shanghai and Shenzhen - reverted back to zero Covid policies and city-wide lockdowns.

Finally, in April, financial markets were still driven by the war in Ukraine and inflation. Central Banks remained on the hawkish side with a focus on upside risks to the inflation outlook despite risks weighing on growth. In the US, real GDP contracted in the first quarter by a 1.4% quarter-on-quarter annual rate, strikingly worse than market consensus. With inflation hitting new 40 year highs of +8.5% year-on-year, the Federal Reserve is set to shrink its record balance sheet (\$9 trillion), as outlined in its quantitative tightening (QT) roadmap, after a two-year stimulus campaign.

In the Eurozone, inflation hit new records at +7.5% year on year, while the Eurozone economy grew by only 0.2% quarter-on-quarter in the first three months of the year. The European Central Bank (ECB) hinted at no further acceleration of stimulus withdrawal in April. However, they confirmed both the previous guidance on Quantitative easing (QE), which is likely to end in the third quarter of 2022, and the policy sequence, with interest rates to rise “some time” after QE ends. Against this backdrop, the broad dollar index (DXY) finished +5% in April, recording its biggest monthly move since January 2015. The euro fell from 1.12 to 1.05 as US growth has been more resilient in comparison to the Euro Area, despite an easing of European political risks with Emmanuel Macron winning the presidential election, vs. a Fed that is fully priced for the year. With high market volatility and upward movement in yields, risk assets posted a negative performance.

April 2022 was an eventful month for emerging markets. Starting with Asia, China maintained its zero-Covid policy and enforced additional lockdowns across major cities. This resulted in a broad-based and sharper fall in both manufacturing and non-manufacturing activities, registering the lowest level since February 2020. At month-end, President Xi committed to boosting infrastructure construction and ramping-up fiscal stimulus to achieve the country’s GDP growth target of 5.5%. Remaining in Asia, Indonesia banned palm oil export to contain the spike in food inflation and growing social unrest. Finally, collateral damage from the Ukrainian conflict emerged in countries such as Sri Lanka, which defaulted on its debt for the first time since its independence.

In Europe, the Russia-Ukraine conflict continued over the month and President of Russia, Putin, reiterated his threat of nuclear war. Russia also cut off gas supplies to Poland and Bulgaria after they refused to pay for the commodity in roubles. The latest escalation has

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continued to push commodity prices and inflation higher—WTI crude is ~\$105 and natural gas is at ~\$7.25. The International Monetary Fund (IMF) asked nations to provide grants and donations to fill a \$5bn monthly financing gap for Ukraine, which was close to Ukraine's ask of \$7bn.

Shifting the focus, Latin American economies had been the least commercially exposed to the conflict zone as well as the most positively correlated to the commodity cycle. However, the region suffered in April from higher than expected consumer inflation data. Chile saw the highest price increase since 1993, while Brazilian inflation hit a 28-years high, leaving limited options to Latam central banks to slow their tightening monetary policy stance, at least for now, despite having been proactive and ahead of the Fed hiking cycle from the start.

Market Outlook

Looking forward, on duration positioning, the Investment Manager's view is that inflationary pressures are likely to cause DM central banks to raise policy rates and are particularly exacerbated by the current rise in commodity prices. In the rest of 2022, the Fed is expected to deliver multiple rate hikes and commence balance sheet reduction, however, the Investment Manager acknowledges that there is potential for impact from negative implications of the Russia-Ukraine conflict.

On the credit side (Hard Currency Bonds), the Investment Manager believes that it remains hard to predict the outcome of the Russia/Ukraine war and its paths, however the base case is for a long and protracted conflict. While short-term inflation may start to decelerate, the long-term view is increasingly showing that sticky inflation remains high and harder to reverse in light of geopolitical risks and the supply chain stress amid Shanghai's lockdown. Within emerging countries, continued rate normalization is expected, as inflationary pressures are running hot. At the same time, many governments are also under pressure to subsidize prices or suffer social unrest/political change. These dynamics will likely translate into stress, forced multi-lateral support and/or higher issuance needs, exacerbating the need for differentiation.

Overall, EM hard currency debt has underperformed local currency debt year-to-date, predominantly due to losses from US Treasury returns. While the Investment Manager does not necessarily think this is an environment of pure spread compression, EM HY spreads is preferred on a relative value basis. The Investment Manager continues to think the current environment is fertile for selection. In the current environment commodity exporters is expected to fare well - regardless of the outcome of the war, energy prices will remain high this year as Western countries, particularly in Europe, reduce imports from Russia. Alternative sources of supply will prove more costly, not least because they will come from further afield with higher transport costs. High energy prices will in turn raise the cost of production of most other commodities and act as a floor under prices. On local currency rates, the Investment Manager holds a modest overweight and remains selectively positioned amidst inflation uncertainty.

As for EM FX, the Investment Manager is positive on USD but cautious on EUR given the market's flight to quality within 2022. The current market expectations of two or three rate hikes this year priced in the EUR appear excessive to the Investment Manager – the Investment Manager is overall cautious EM-FX; selectively constructive on some commodity-exporting currencies in LatAm (BRL) but cautious in CEEMEA and Asia.

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Review of the Fund Performance During The Year

Performance calculated up to 30 April 2022			
Amundi Bond Global Emerging Blended Fund	3 Months	1 Year	Since 17 April 2017
RM class	-2.03%	-1.37%	7.92%
SGD class	-1.94%	-2.41 %	-1.38%
USD class**	-5.14%	-5.54%	-0.41%
50% of JP Morgan EMBI Global Diversified EUR Hedged index and 50% of JP Morgan ELMI+ (EUR) index, hedged in EUR.	-7.97%	-6.97%	-4.30%

**Benchmark performance since 20 April 2017*

***USD Class is calculated until 7 April 2022 as its being fully redeemed.*

Source: Amundi Malaysia Sdn Bhd

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Review of the Target Fund Performance During The Year

The Target Fund (I EUR Share) gained 0.74% in May, outperforming the benchmark by 21bps. The Investment Manager's short duration positioning was the main detractor given the contraction in bond yields. The directional overweight exposure to hard currency was also a strong attributor as spreads tightened, particularly on the HY segment an overweight positioning was maintained.

Selection in Latin America was a key driver of gains, led by the overweight in Argentina and Brazil, followed by the overweight in Ecuador. Peru was also a small attributor. The exposure to Peru was reduced from overweight to neutral in the run up to the Presidential elections given their low conviction on the outcome. Peruvian assets sold off as the results, although too close to call, indicated a potential victory for the left wing candidate Castillo. The underweight in Colombia also helped amidst the rating downgrade by S&P to below IG at 'BB+'. Among other attributors were the overweight exposure in Zambia and Ivory Coast, which benefited from the reflationary market dynamic. Within the GCC countries, the underweight in Oman and overweight in UAE helped. Among key detractors was the positioning in EMEA, specifically the underweight exposure to Turkey and South Africa. The off-benchmark local currency exposure also helped performance, led by long positioning in Brazil and South Africa followed by short exposure to Colombia and Czech Republic. Finally, in EM FX, gains were led by a short positioning in Chilean Peso and Malaysia Ringgit as well as long positioning in Brazilian Real. Meanwhile, short positioning in South African Rand was the main detractor.

The Target Fund (I EUR Share) gained 0.96% in June, underperforming the benchmark by 31bps. Primary negative contributors for June were the directional overweight exposure and country selection on the hard currency side. Moving on to Q3.2021, the fund (I EUR Share) lost -1.49%, thus underperforming the benchmark by -61bps. The short duration positioning contributed positively in the latter half of the period given the rise in core bond yields amidst higher inflation prints. The Investment Manager remained bearish on core rates and maintained an underweight duration positioning versus the benchmark. The directional overweight exposure to the asset class was loss generating for the period, despite the gains generated in July and August due to slowing Covid-19 infection rates particularly in the West, less hawkish rhetoric from Fed Chair Powell and markets re-evaluating Chinese growth data from potential easing response by the central bank. However, these gains were reversed in September, as spreads widened on the back of default concerns emanating from the Chinese property sector and thereby the impact on global growth. Although performance in September was adversely impacted given the risk-off sentiment, country selection for Q3 overall attributed positively driven by selection and bias to HY credits.

The top performing region was Latin America, where the Investment Manager's overweight in the region was rewarded by normalising activity given positive vaccination roll-outs. The region also benefitted from surging oil prices. Gains were led by the overweight in Argentina as bonds rallied ahead of the primary legislative elections in November, followed by the overweight in Mexico and underweight in Chile. On the other hand, the overweight in Brazil generated small losses – aggressive monetary policy tightening, high inflation and an uncertain political outlook weighed on bonds. Sub Saharan Africa (SSA) was also a positive attributor; the overweight in Zambia was particularly beneficial amidst higher copper prices and a positive outcome of the Presidential election results, which are supportive for the debt restructuring discussions with the IMF. Among detractors was the overweight in the Caribbean, where the bias to El Salvador hurt performance as Bitcoin adoption, tensions with the US and changes to the constitutional courts raised concerns about the prospect of a much-needed IMF program. The off-benchmark local currency exposure was a primary detractor, led by the long rates exposure in Brazil followed by exposure to Russia and other high yielding frontier countries such as

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Ukraine and Serbia. On the other hand, the portfolio benefited from the short positioning in low yielding countries such as Poland as well as the long positioning in commodity sensitive countries such as South Africa. Finally, EM FX was a strong generator of gains - the long positioning in high yielding currencies, such as Egyptian Pound and Ukrainian Hryvnia, were the biggest drivers of performance followed by a long in Russian Rouble and short positioning on the Chilean Peso versus the US Dollar. The weakest currency trade was the long positioning in Brazilian Real followed by the short positioning in Taiwan Dollar versus the Chinese Yuan and long positioning in Korean Won.

The Target Fund (I EUR Share) returned -0.79% in Q4.2021 and outperformed its benchmark, which returned -0.09%. The short duration positioning, which they had maintained throughout the quarter, generated some gains overall as losses in November were offset by the positive attribution in December. Despite a higher inflation print in the US, yields fell in November due to market uncertainty from the impact of Omicron on global activity and growth. However, December yielded positive returns from duration, as yields rose on the back of hawkish rhetoric from the Fed and expectations of a more aggressive tapering. Meanwhile, losses resulted primarily from our overweight risk exposure to EM hard currency bonds, which underperformed significantly in November as spreads de-compressed, driven by rising concerns on Chinese growth, a more hawkish US Fed, fears of Omicron, and crowded investor positioning. However, small gains in December amidst subsiding Omicron fears helped to recover some losses. Country selection in EM HC bonds was overall a detractor driven by selection and bias to HY credits. The worst performing region was Latin America. While the Target Fund benefited from the overweight in Mexico, the overweight in Argentina and Brazil offset these gains. In Brazil, uncertainty over fiscal rules and impact on the 2022 budget amidst higher inflation resulted in an underperformance, while in Argentina, IMF's rejection of a request for temporary surcharges relief led to losses. Underweight exposure to Uruguay, Chile and Panama also detracted. In CEEMEA, the overweight in Ukraine, Romania and Egypt hurt, while among SSA countries, Ghana was a key underperformer in the latter half of the period. Although growth prospects for Ghana remain strong, Ghana's bonds fell amidst tighter US policy and rising investor concerns on ability of the sovereign to access the Eurobond market for rolling over its debt. In terms of positive drivers of performance, the underweight in Turkey helped as did the overweight in Zambia as the sovereign benefited from higher copper prices, a positive outcome of the Presidential election and constructive debt restructuring discussions with the IMF. In Asia, losses were primarily limited to the overweight in Sri Lanka, which suffered from ongoing fiscal concerns and credit ratings downgrades.

The off-benchmark local currency exposure was a significant detractor, led by the long rates exposure in Brazil followed by exposure to Russia and Ukraine. On the other hand, the Target Fund benefited from the short positioning in Poland as well as South Africa, where they were positioned through longer-dated debt. Finally, EM FX was a strong generator of gains – the short positioning on the Turkish Lira gained as the currency depreciated due to the rate cut from the Central Bank despite higher levels of inflation. Moreover, long positioning in high yielding currencies, such as Ukrainian Hryvnia and Egyptian Pound, drove performance as did the long in Russian Rouble versus the US Dollar. Losses came from the long positioning in Brazil Real and short in Taiwan Dollar.

The Target Fund (I EUR Share) returned -3.81% in Q1.2022 and strongly outperformed its benchmark, which returned - 6.87%. The short duration positioning was a strong driver of outperformance, particularly in January and March, amidst a sharp rise in core government bond yields. Expectations for an accelerated pace of policy tightening by the Fed on the back of significantly higher inflation prints has resulted in US 10 Year Treasury yields to rise to 2.34%, almost 84bps higher since the end of the previous quarter. Overall, performance from hard currency bonds was negative in Q1; losses were generated by the directional exposure to the asset class as spreads widened, particularly in February as risks from sanctions and

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higher commodity prices resulted in markets starting to price in stagflationary concerns. However, some losses were recouped in March as spreads tightened. Country selection on the other hand attributed positively, mainly due to CEEMEA, where performance was generated by the underweight exposure to Russia (including the credit protection purchased in January to reduce exposure). On the other hand, the overweight exposure to Ukraine offset gains partially, as did the overweight in Serbia and Romania. Among other regions, positioning in Latin America helped due to the overweight risk exposure in Argentina as did the overweight in Ecuador which we reduced in the latter part of the quarter following strong performance. In SSA performance was mixed, as gains from the overweight in Ivory Coast and Nigeria offset some of the losses resulting from the overweight in Zambia. In Asia, our High Yield exposure in China acted as a drag on performance. Finally, the Target Fund benefited from our overweight positions within the GCC, specifically in Bahrain. The off-benchmark local currency exposure was the primary detractor in Q1, led by the long rates exposure in Russia and Ukraine followed by Brazil. On the other hand, the Investment Manager benefited from the short rates exposure in Poland. Finally, EM FX generated significant gains largely due to the short positioning on Russian Rouble, which was removed from the JPM ELM+ index at the end of March, followed by the long positions in Brazilian Rand. Meanwhile, the most significant detractor came from short positioning in the South African Rand and Colombian Peso.

The Target Fund (I EUR Share) returned -1.08% net of fees in April 2022 and outperformed its benchmark, which returned -1.85%. The Investment Manager's short duration positioning, which we slightly reduced in April, remained a key performance driver as US treasuries yields surged across the curve after the change of rhetoric of the FED to fight against persistent inflation. The mounting inflation risks, which hit a new 40 year highs and the contraction of its economic activity for the first quarter, increased the probability of a stagflationary environment. Overall, performance from hard currency bonds was positive as the losses generated by the directional exposure to the asset class given spread widening across regions were offset by the country selection gains.

Country-wise, one of our primary positive contributors was selection in Europe, where performance was generated by the underweight exposure to Russia (including the credit protection purchased in Q1 to reduce exposure). The Investment Manager's Middle East exposure was beneficial as well, particularly our underweight to Qatar and Saudi Arabia. Among other regions, Latin America performance was mixed, as we benefitted from our overweight in Argentina and our underweight in Panama and Chile. The Investment Manager's exposure to Mexican sovereign debt produced losses after showing relative strong performance in the weeks following the Russia/Ukraine conflict. These losses were offset by the credit protection bought on Mexico. Finally, on Asia, the underweight in the Philippines produced gains that limited losses from our Chinese overweight on HY off-benchmark exposure in the country.

The off-benchmark local currency exposure was a negative contributor this month, led by an overweight to Brazil, South Africa and Mexico. On the other hand, the Investment Manager benefitted from our short rates exposure in Poland. Finally, EM FX generated mixed returns. The Target Fund benefitted from our overall overweight positioning in DM currencies – USD and EUR vs. EMFX. The dollar outperformed in April boosted by: 1) a broad-based surge in US treasury yields, as Fed Chair Powell explicitly endorsed hawkishness and a 50bp rate hike in May, and 2) heightened global growth concerns and souring risk sentiment turbocharged the USD's rally as investors sought respite in the safe-haven currency. Within our EM FX positioning, the Investment Manager benefitted from our overweight in Brazilian Real, however our underweight positioning in Mexican Peso limited our performance.

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

Portfolio Positioning of the Target Fund

As at end April 2022:

Duration: While the Investment Manager's view is that inflationary pressures are likely to cause DM central banks to raise policy rates and are particularly exacerbated by the current rise in commodity prices, the duration position has been recalibrated. The Target Fund is now holding a close-to-neutral duration profile as duration following the repricing of yields was increased. In 2022, the Fed is expected to deliver multiple rate hikes and commence balance sheet reduction, while acknowledging that there is potential for impact from negative implications of the Russia-Ukraine conflict.

Credit (Hard Currency Bonds): The Investment Manager maintained an overweight beta exposure on the asset class, while reducing some risk throughout the month. Starting with CEEMEA, our overweight positioning to Nigeria were reduced to neutral given poor fiscal performance - the recent budget revision in the country points towards a higher deficit from what was previously expected, despite significantly higher oil prices. Overweight to Zambia was also cut by half to reduce risk, even though a higher recovery value is still expected than current prices. In LatAm, the Investment Manager increased our overweight positioning on Mexico, while on the other hand, closed the exposure in Ecuador to neutral given non-negligible political risks in the country. On portfolio positioning, overweight LatAm is remained (Argentina on attractive valuations and better than priced-in idiosyncratic story, and Mexico through the quasi-sovereign debt side) and Indonesia. On the other side, an underweight on Turkey and South Africa is maintained given the weakening fundamentals, and in Saudi Arabia as valuations seem less attractive than in other MENA IG sovereigns.

Local Currency Rates: The Investment Manager maintains an off-benchmark exposure of 125bps (modified duration) to EM local rates. We maintain our long position in South Africa where we see real yields as attractive through the long end of the curve for excess premium. In CEEMEA rates, we are underweight the lower yielding rates market in Poland relative to Hungary, for the higher yield. Finally, in LatAm rates, we are long Brazil - many hikes priced in front end of curve with a steep curve, and find the carry attractive. We hold a modest overweight in EM Local rates and remain selectively positioned amidst inflation uncertainty.

Forex: Implemented multiple changes during the month to reduce further our exposure to EM FX – we have enhanced our short positioning to Chinese Reminbi due to growth concerns and lower differential between US and Chinese rates. We also increased our short on Taiwanese Dollar as we believe that the currency is vulnerable to China's slowdown and to potentially adverse geo-political developments. On CEEMEA, the Investment Manager turned short on Polish Zloty following the region's exposure to the Russia/Ukraine geopolitical conflict, also turned short on Egyptian Pound, as Egypt is the world's biggest wheat buyer, importing nearly 80% of the wheat from the Black Sea region, and the Russia-Ukraine conflict has hit shipments causing supply bottlenecks and surging prices. On the other hand, closed our underweight on Mexican Peso and took some profit from our deep short on South-African Rand. The market's flight to quality is leading us to be positive on USD, but cautious on EUR. The current market expectations of two or three rate hikes this year priced in the EUR appear excessive. We are overall cautious EM-FX; selectively constructive on some commodity-exporting currencies in LatAm (BRL) but cautious in CEEMEA and Asia.

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

Asset Breakdown as at end April 2022	
Bonds	60.98%
Mutual Funds	8.69%
Money Market	14.29%
Cash	16.35%
Total	100.31%

Source: Amundi Front Office Tool as of 29.04.2022, Cash also includes CDS< options, Futures , Repos, Forex and Swaps.

Sector Breakdown as at end April 2022	
Treasuries	1.96%
Sovereign	48.37%*
Supranational	-
ABS	-
Agencies	-
CMBS	-
Financials	3.11%
Industrial	5.88%
Local Authorities	-
Utilities	0.57%
Unknown (residual)	1.10%
Cash + Mutual Funds + Money Market**	39.32%
Total	100.31%

Source: Amundi, Front office tool, *Sovereigns include Sovereign debt in Hard and Local currency, EM Quasi Issuers,
 ** including derivatives Data summing to 100.3% as it comes from front-office tool.

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

STATEMENT BY THE MANAGER

We, Haizan Bin Mohd Khir Johari and Edna Vimala Koshy, being two of the Directors of Amundi Malaysia Sdn. Bhd. (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 25 to 52 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year ended 30 April 2022 in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager
Amundi Malaysia Sdn. Bhd.
(Company No.: 816729-K)

Haizan

HAIZAN BIN MOHD KHIR JOHARI

Edna Koshy

EDNA VIMALA KOSHY

Kuala Lumpur
23 June 2022



AMUNDI BOND GLOBAL EMERGING BLENDED FUND

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF AMUNDI BOND GLOBAL EMERGING BLENDED FUND

We have acted as Trustee for Amundi Bond Global Emerging Blended Fund (the "Fund") for the financial year ended 30 April 2022. To the best of our knowledge, for the financial year under review, Amundi Malaysia Sdn. Bhd. (the "Manager") has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission Malaysia Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and applicable regulatory requirement; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and applicable regulatory requirement.

For SCBMB Trustee Berhad
(Company No: 201201021301 (1005793T))

 CASTA LIOR Trustee Services Manager SCBMB Trustee Berhad	 EDDIE LEE Trustee Services Manager SCBMB Trustee Berhad
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Authorized signatories

Kuala Lumpur
23 June 2022

SCBMB Trustee Berhad (Reg. No: 201201021301)
Level 23, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur Tel: +603) 7682 9724/ 7682 9710/ 7682 9704

A Standard Chartered Group Company
Standard Chartered Bank Malaysia Berhad (Reg. No. 198481002074)

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AMUNDI BOND GLOBAL EMERGING BLENDED FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Amundi Bond Global Emerging Blended Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 52.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AMUNDI BOND GLOBAL EMERGING BLENDED FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AMUNDI BOND GLOBAL EMERGING BLENDED FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AMUNDI BOND GLOBAL EMERGING BLENDED FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

OTHER MATTERS

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants
Kuala Lumpur
23 June 2022

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	2022 EUR	2021 EUR
INCOME			
Dividend income		18,557	25,116
Net (loss)/gain on financial assets at fair value through profit or loss	8	(29,721)	30,367
Net gain/(loss) on forward foreign currency contracts	10	36,631	(17,977)
Net foreign exchange gain/(loss)		972	(600)
		<u>26,439</u>	<u>36,906</u>
EXPENSES			
Management fee	4	4,683	5,717
Trustee fee	5	78	95
Other expenses	6	(977)	462
		<u>3,784</u>	<u>6,274</u>
PROFIT BEFORE FINANCE COST AND TAXATION		22,655	30,632
Finance cost (excluding increase in net assets attributable to unit holders)		-	-
- Class MYR		-	-
PROFIT BEFORE TAXATION		22,655	30,632
Taxation	7	-	-
INCREASE IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>22,655</u>	<u>30,632</u>
Increase/(Decrease) in net assets attributable to unit holders are made up as follows:			
Realised amount		12,700	(21,179)
Unrealised amount		9,955	51,811
		<u>22,655</u>	<u>30,632</u>

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022

	Note	2022 EUR	2021 EUR
ASSETS			
Cash and cash equivalents	9	8,365	8,951
Financial assets at fair value through profit or loss	8	116,150	427,609
Forward foreign currency contracts at fair value through profit or loss	10	2,844	1,616
Amount due from brokers		47,700	-
TOTAL ASSETS		<u>175,059</u>	<u>438,176</u>
LIABILITIES			
Accrued management fees		221	432
Amount due to Trustee		4	7
Amount due to Fund Manager		26,823	-
Amount due to brokers		26,869	-
Other payables and accruals		-	1,410
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>53,917</u>	<u>1,849</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>121,142</u>	<u>436,327</u>

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022 (CONTINUED)

	Note	2022 EUR	2021 EUR
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class MYR		64,182	352,174
- Class USD		57,364	53,211
- Class SGD		(404)	30,942
		<u>121,142</u>	<u>436,327</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class MYR		308,579	1,792,349
- Class USD		60,710	60,710
- Class SGD		96	49,058
	11	<u>369,385</u>	<u>1,902,117</u>
NET ASSET VALUE PER UNIT (EUR)			
- Class MYR		0.2080	0.1965
- Class USD		0.9449	0.8765
- Class SGD		<u>*0.6640*</u>	<u>0.6307</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- Class MYR		MYR 0.9548	MYR 0.9680
- Class USD		USD 0.9967	USD 1.0550
- Class SGD		<u>*SGD 0.9855*</u>	<u>SGD 1.0098</u>

****SGD share class is now dormant and the last official NAV price is as at 7 April 2022. The units in the SGD share class belongs solely to the Manager.****

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	2022	2021
	EUR	EUR
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	436,327	499,783
Movement due to units created and cancelled during the financial year:		
Creation of units		
- Class MYR	31,282	133,144
- Class USD	-	-
- Class SGD	-	-
Cancellation of units		
- Class MYR	(336,614)	(227,232)
- Class USD	-	-
- Class SGD	(32,508)	-
	<u>98,487</u>	<u>405,695</u>
Increase in net assets attributable to unit holders during the financial year	<u>22,655</u>	<u>30,632</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF FINANCIAL YEAR	<u><u>121,142</u></u>	<u><u>436,327</u></u>

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	2022 EUR	2021 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of collective investment schemes		315,493	214,959
Purchase of collective investment schemes		(54,630)	(128,823)
Dividend received		18,557	25,116
Management fee paid		(4,894)	(5,765)
Trustee fee paid		(92)	(96)
Payment for other fees and expenses		(422)	(410)
Net realised gain/(loss) on forward foreign currency contracts		35,404	(22,710)
Net realised foreign exchange gain/(loss)		972	(600)
Net cash generated from operating activities		<u>310,388</u>	<u>81,671</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		31,324	133,144
Payment for cancellation of units		<u>(342,298)</u>	<u>(227,377)</u>
Net cash used in from financing activities		<u>(310,974)</u>	<u>(94,233)</u>
Net decrease in cash and cash equivalents		(586)	(12,562)
Cash and cash equivalents at the beginning of the financial year		<u>8,951</u>	<u>21,513</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>8,365</u></u>	<u><u>8,951</u></u>
<u>Cash and cash equivalents comprises of:</u>			
Bank balances	9	<u><u>8,365</u></u>	<u><u>8,951</u></u>

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY

Amundi Bond Global Emerging Blended Fund (the “Fund”) was established pursuant to the execution of a Deed dated 25 January 2017, as modified via its First Supplementary Deed dated 17 September 2017 (“the Deeds”), between Amundi Malaysia Sdn. Bhd. as the Manager, SCBMB Trustee Berhad as the Trustee and all unit holders.

The Fund aims to achieve investment returns by investing in the Amundi Funds Bond Global Emerging Blended (“Target Fund”) which aims to outperform the reference indicator composed to 50% of “JP Morgan EMBI Global Diversified EUR Hedged” index and to 50% of “JP Morgan ELMI+” index (denominated in local currencies and converted in EUR) over an investment horizon of at least three years after taking into account charges.

Being a wholesale feeder fund, a minimum of 90% of the net assets value (“NAV”) of the Fund will be invested in the Target Fund, the balance of the Fund will be invested in liquid assets. As such, the investments of the Fund will consist of a single collective investment scheme. As provided in the Deeds, the financial year for the Fund shall end on 30th April of every year and the units in the Fund were first offered for sales on 14 February 2017 (date of launch).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) **Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year.

It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- Standards and amendments to existing standards effective 1 May 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 May 2021 that have a material effect on the financial statements of the Fund.

- New standards, amendments and interpretations effective after 1 May 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 May 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

(b) Financial assets and financial liabilities

Classification

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

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

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

Investment in collective investment schemes have contractual cash flow that do not represent solely payment of principal and interest (“SPPI”) and therefore are classified as fair value through profit or loss.

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

The Fund classifies amount due to Fund Manager, accrued management fee, amount due to Trustee, amount due to brokers and other payables and accruals as financial liabilities measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement

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

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

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

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

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

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

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

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

Impairment for assets carried at amortised costs

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

Significant increase in credit risk

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

(c) Income recognition

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

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

(d) Distribution

Distributions to the Fund's unitholders are accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee.

(e) Functional and presentation currency

Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in EUR primarily due to significant portion of the Fund's NAV is invested in EUR denominated investments,

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Functional and presentation currency (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(f) Creation and cancellation of units

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as the Class MYR, Class SGD and Class USD, which are cancelled at the unitholder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commissions Malaysia ("SC") Guidelines on Unit Trust Funds. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

(g) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which is subject to an insignificant risk of changes in value.

(h) Taxation

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

Tax on income distribution from foreign collective investment schemes is based on the tax regime of the respective country that the Fund invests in.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Realised and unrealised portions of profit or loss after tax

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on Unit Trust Funds.

(k) Derivative financial instrument

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as FVTPL and accounted for in accordance with the accounting policy set out in Note 2(b).

(l) Critical accounting estimates and judgments in applying accounting policies

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

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Critical accounting estimates and judgments in applying accounting policies (continued)

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss EUR	Financial assets at amortised cost EUR	Total EUR
2022			
Cash and cash equivalents (Note 9)	-	8,365	8,365
Amount due from brokers	-	47,700	47,700
Collective investment scheme (Note 8)	116,150	-	116,150
Forward foreign currency contracts (Note 10)	2,844	-	2,844
	118,994	56,065	175,059

	Financial assets at fair value through profit or loss EUR	Financial assets at amortised cost EUR	Total EUR
2021			
Cash and cash equivalents (Note 9)	-	8,951	8,951
Collective investment scheme (Note 8)	427,609	-	427,609
Forward foreign currency contracts (Note 10)	1,616	-	1,616
	429,225	8,951	438,176

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

All current liabilities, except forward foreign currency contracts, are financial liabilities which are carried at amortised cost.

The Fund aims to achieve investment returns by investing in the Target Fund which aims to outperform the reference indicator composed to 50% of “JP Morgan EMBI Global Diversified EUR Hedged” index and to 50% of “JP Morgan ELMI+” index.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and currency risk), credit risk and liquidity risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC’s Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework.

(a) Market risk

(i) Price risk

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

The price risk is managed through diversification and selection of other financial instruments within specified limits according to the Deeds.

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

	2022	2021
	EUR	EUR
Financial assets at fair value through profit or loss:		
- Collective investment scheme	<u>116,150</u>	<u>427,609</u>

The table below summarises the sensitivity of the Fund’s profit or loss and NAV to movements in prices of collective investment scheme at the end of financial year. The analysis is based on the assumption that the price of the collective investment scheme fluctuates by 5% with all other variables held constant. This represents the Manager’s best estimate of a reasonable possible shift in the collective investment scheme, having regard to the historical volatility of the prices.

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price Risk (continued)

% Change in price of collective investment scheme	Market value EUR	Impact on profit or loss/NAV EUR
2022		
-5%	110,343	(5,808)
0%	116,150	-
+5%	<u>121,958</u>	<u>5,808</u>
2021		
-5%	406,229	(21,380)
0%	427,609	-
+5%	<u>448,989</u>	<u>21,380</u>

(ii) Currency risk

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

	Cash and cash equivalents EUR	Amount due from brokers EUR	Forward foreign currency contracts EUR	Other payables and accruals EUR	Net assets attributable to unit holders EUR	Total EUR
2022						
MYR	2,273	26,824	1,789	-	64,182	68,244
SGD	147	-	-	-	(404)	(257)
USD	1,512	-	1,055	-	57,364	59,931
	<u>3,932</u>	<u>26,824</u>	<u>2,844</u>	<u>-</u>	<u>121,142</u>	<u>127,918</u>

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Currency risk (continued)

	Cash and cash equivalents EUR	Amount due from brokers EUR	Forward foreign currency contracts EUR	Other payables and accruals EUR	Net assets attributable to unit holders EUR	Total EUR
2021						
MYR	2,737	-	1,531	(1,410)	(352,174)	(349,316)
SGD	579	-	(9)	-	(53,211)	(52,641)
USD	1,054	-	94	-	(30,942)	(29,794)
	<u>4,370</u>	<u>-</u>	<u>1,616</u>	<u>(1,410)</u>	<u>(436,327)</u>	<u>(431,751)</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange rate movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5% (30.04.2021: 5%), with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit or loss/NAV	
		2022 EUR	2021 EUR
MYR	5	4,753	(17,466)
SGD	5	(13)	(2,632)
USD	5	<u>2,997</u>	<u>(1,490)</u>

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

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

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework.

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

	Cash and cash equivalents	Forward foreign currency contracts	Amount due from brokers	Total
	EUR	EUR	EUR	EUR
2022				
Financial institution:				
- Standard Chartered Bank (Malaysia) Bhd (AAA)	8,365	2,844	-	11,209
- Others	-	-	47,700	47,700
	<u>8,365</u>	<u>2,844</u>	<u>47,700</u>	<u>58,909</u>
	Cash and cash equivalents	Forward foreign currency contracts	Amount due from brokers	Total
	EUR	EUR	EUR	EUR
2021				
Financial institution:				
- Standard Chartered Bank (Malaysia) Bhd (AAA)	8,951	1,616		10,567

All financial assets of the Fund as at the end of financial year are neither past due nor impaired.

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unitholders. Liquid assets comprise bank balance and other instruments, which are capable of being converted into cash within 7 business days. The Fund's investments in collective investment scheme are capable of being converted into cash within 10 business days. This is expected to reduce the liquidity risk for the portfolio without limiting the Fund's growth potentials.

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

	Less than 1 month EUR	Between 1 month to 1 year EUR	Total EUR
2022			
Accrued management fees	221	-	221
Amount due to Trustee	4	-	4
Amount due to Manager	26,823	-	26,823
Amount due to brokers	26,869	-	26,869
Net assets attributable to unit holders*	121,142	-	121,142
Contractual undiscounted cash flows	175,059	-	175,059
2021			
Accrued management fees	432	-	432
Amount due to Trustee	7	-	7
Other payables and accruals	-	1,410	1,410
Net assets attributable to unit holders*	436,327	-	436,327
Contractual undiscounted cash flows	436,766	1,410	438,176

* Outstanding units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders of EUR121,142 (2021: EUR 436,327). The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

The fair value of financial assets and liabilities traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund used the last traded market price as its fair valuation inputs for both financial assets and financial liabilities.

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

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
2022				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	116,150	-	-	116,150
- Forward foreign currency contracts	-	2,844	-	2,844
	<u>116,150</u>	<u>2,844</u>	<u>-</u>	<u>118,994</u>
2021				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	427,609	-	-	427,609
- Forward foreign currency contracts	-	1,616	-	1,616
	<u>427,609</u>	<u>1,616</u>	<u>-</u>	<u>429,225</u>

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

Investments which values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investments schemes. The Fund does not adjust the quoted prices for these instruments. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities.

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b) to the financial statements.

- (ii) The carrying values of cash and cash equivalents, and all current liabilities, except for forward foreign currency contracts are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to the management fee of 1.20% per annum of the NAV of the Fund, calculated and accrued daily and payable monthly to the Manager. The fee is calculated using the base currency of the Fund and is apportioned to each class based on the multi-class ratio ("MCR").

For the financial year ended 30 April 2022, the management fee is recognized at a rate of 1.20% per annum (2020: 1.20% per annum).

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

5. TRUSTEE'S FEE

In accordance with the Deeds, SCBMB Trustee Berhad is entitled to the fee of 0.02% per annum calculated daily based on the NAV of the Fund. The fee is subject to minimum of RM12,000 (equivalent to USD) per annum. The difference between the minimum fee and accrued fee will be borne by the Manager.

For the financial year ended 30 April 2022, the Trustee's fee is recognized at a rate of 0.02% per annum (2021: 0.02% per annum).

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

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

6. OTHER EXPENSES

The manager has, at its discretion, decided to pay on behalf of the Fund on the Auditors' Remuneration of RM6,300 (2020:RM6,300) and tax agent's fees of RM5,000 (2021: RM5,000).

7. TAXATION

	2022	2021
	EUR	EUR
Tax charged for the financial year:		
- Current taxation	<u>-</u>	<u>-</u>

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

	2022	2021
	EUR	EUR
Profit before taxation and finance cost	<u>22,655</u>	<u>30,632</u>
Taxation at Malaysian statutory rate of 24%	5,437	7,352
Tax effects of:		
- Investment income not subject to tax	(6,345)	(8,858)
- Expenses not deductible for tax purposes	123	121
- Restriction on tax deductible expenses for the Funds	<u>785</u>	<u>1,385</u>
Taxation	<u>-</u>	<u>-</u>

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	EUR	EUR
Designated at fair value through profit or loss at inception:		
- Collective investment scheme	<u>116,150</u>	<u>427,609</u>
	2022	2021
	EUR	EUR
Net (loss)/gain on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(38,185)	(16,711)
- Unrealised fair value gain	<u>8,464</u>	<u>47,078</u>
	<u>(29,721)</u>	<u>30,367</u>

Name of counter	Quantity Units	Aggregate cost EUR	Market value EUR	Percentage of NAV %
30.04.2022				
COLLECTIVE INVESTMENT SCHEME				
Amundi Funds Bond Global Emerging Blended	<u>139</u>	<u>131,464</u>	<u>116,150</u>	<u>95.88</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>139</u>	<u>131,464</u>	<u>116,150</u>	<u>95.88</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>(15,314)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>116,150</u>		

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

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

Name of counter	Quantity Units	Aggregate cost EUR	Market value EUR	Percentage of NAV %
30.04.2021				
COLLECTIVE INVESTMENT SCHEME				
Amundi Funds Bond Global Emerging Blended	<u>474</u>	<u>451,287</u>	<u>427,609</u>	<u>98%</u>
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>474</u>	<u>451,287</u>	<u>427,609</u>	<u>98%</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(23,678)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>427,609</u>		

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

9. CASH AND CASH EQUIVALENTS

	2022 EUR	2021 EUR
Bank balances	<u>8,365</u>	<u>8,951</u>

10. FORWARD FOREIGN CURRENCY CONTRACTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 EUR	2021 EUR
Designated at fair value through profit or loss at inception:		
- Forward foreign currency contracts	<u>2,844</u>	<u>1,616</u>

	2022 EUR	2021 EUR
Net loss on financial liabilities at fair value through profit or loss:		
- Realised gain/(loss)	35,403	(22,710)
- Unrealised fair value gain	<u>1,228</u>	<u>4,733</u>
	<u>36,631</u>	<u>(17,977)</u>

Unquoted derivative instruments comprise forward currency contracts. The financial year end positive fair value represents the unrealised gain/(loss) on the revaluation of forward currency contracts at the reporting date. The contract underlying principal amount of the forward currency contracts and the corresponding gross positive fair value at financial year end date is analysed below:

	Maturity date	Contract or underlying principal amount	Fair value EUR
2022			
Malaysian Ringgit	31.05.2022	160,303	1,789
United States Dollar	31.05.2022	55,686	<u>1,055</u>
			<u>2,844</u>
2021			
Malaysian Ringgit	28.05.2021	(349,116)	1,531
Singapore Dollar	28.05.2021	(30,116)	(9)
United States Dollar	28.05.2021	(53,346)	<u>94</u>
			<u>1,616</u>

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

11. NUMBER OF UNITS IN CIRCULATION (UNITS)

	2022	2021
	No. of units	No. of units
Class MYR (i)	308,579	1,792,349
Class USD (ii)	60,710	60,710
Class SGD (iii)	96	49,058
	<u>369,385</u>	<u>1,902,117</u>

(i) Class MYR

	2022	2021
	No. of units	No. of units
At the beginning of the financial year	1,792,349	2,287,301
Add: Creation of units from applications	157,109	667,343
Less: Cancellation of units	(1,640,879)	(1,162,295)
At the end of the financial year	<u>308,579</u>	<u>1,792,349</u>

(ii) Class USD

	2022	2021
	No. of units	No. of units
At the beginning of the financial year	60,710	60,710
Add: Creation of units from applications	-	-
Less: Cancellation of units	-	-
At the end of the financial year	<u>60,710</u>	<u>60,710</u>

(iii) Class SGD

	2022	2021
	No. of units	No. of units
At the beginning of the financial year	49,058	49,058
Add: Creation of units from applications	-	-
Less: Cancellation of units	(48,962)	-
At the end of the financial year	<u>96</u>	<u>49,058</u>

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

12. MANAGEMENT EXPENSE RATIO (“MER”)

	2022	2021
	%	%
MER	<u>0.97</u>	<u>1.31</u>

MER is derived from the following calculation:

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

A = Management fee

B = Audit fee

C = Tax agent's fee

D = Trustee's fee

E = Other expenses

F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the year calculated on a daily basis is EUR 390,250 (2021: EUR 477,305).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2022	2021
PTR (times)	<u>0.55</u>	<u>0.38</u>

PTR is derived based on the following calculation:

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

where:

total acquisition for the financial year = EUR 54,630 (2021: EUR 128,823)

total disposal for the financial year = EUR 374,553 (2021: EUR 231,670)

AMUNDI BOND GLOBAL EMERGING BLENDED FUND

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>Relationship</u>
Amundi Malaysia Sdn Bhd	The Manager
Amundi Asset Management London Branch	The Investment Manager of the Target Fund
Amundi Singapore Limited	Holding company of the Manager
Credit Agricole S.A	Ultimate holding company of the Manager

Units held by the Manager and parties related to Manager

	2022		2021	
	No. of units	EUR	No. of units	EUR
Manager				
Amundi Malaysia Sdn Bhd				
- Class MYR	101	21	101	20
- Class USD	92	87	92	81
- Class SGD	96	63	96	61

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

	2022	2021
	EUR	EUR
<u>Significant related party transactions</u>		
Dividend income from collective investment schemes managed by the Investment Manager	18,557	25,116

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15. TRANSACTIONS WITH DEALER

Details of transactions with dealer is as follows:

	Values of trades	Percentage of total trades	Brokerage fees	Percentage of total Brokerage Fees
Dealer	EUR	%	EUR	%
2022				
CACEIS Investor Services Limited #	<u>390,998</u>	<u>100</u>	<u>-</u>	<u>-</u>

	Values of trades	Percentage of total trades	Brokerage fees	Percentage of total Brokerage Fees
Dealer	EUR	%	EUR	%
2021				
CACEIS Investor Services Limited #	<u>343,783</u>	<u>100</u>	<u>-</u>	<u>-</u>

Included in the transactions by the Fund are trades conducted with Amundi Asset Management London Branch, amounting to EUR 390,998 (2021: EUR 343,783). The Manager is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 June 2022.