



**QUARTERLY REPORT**  
29 February 2024

# **AHAM Absolute Return Fund II**

**MANAGER**  
AHAM Asset Management Berhad  
199701014290 (429786-T)

**CUSTODIAN**  
Deutsche Bank (Malaysia) Berhad  
(312552-W)

**Built On Trust**

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# AHAM ABSOLUTE RETURN FUND II

## Quarterly Report and Financial Statements As at 29 February 2024

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<b>Contents</b>	<b>Page</b>
QUARTERLY REPORT .....	2
STATEMENT OF COMPREHENSIVE INCOME .....	7
STATEMENT OF FINANCIAL POSITION .....	8
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS .....	10

## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	AHAM Absolute Return Fund II
Fund Type	Growth
Fund Category	Mixed Assets
Investment Objective	The Fund is categorised as growth fund which seeks to achieve medium to long-term capital appreciation by investing primarily in securities of developed and emerging markets globally.
Benchmark	Absolute return of 8.0% per annum
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

### FUND PERFORMANCE DATA

#### MYR Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (RM'million)	300.510	302.578
NAV per Unit (RM)	1.3833	1.2721
Unit in Circulation (million)	217.248	237.865

#### AUD Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (AUD'million)	2.042	1.993
NAV per Unit (AUD)	0.5443	0.5005
Unit in Circulation (million)	3.752	3.982

#### GBP Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (GBP'million)	0.214	0.231
NAV per Unit (GBP)	0.5144	0.4817
Unit in Circulation (million)	0.416	0.480

#### SGD Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (SGD'million)	3.147	3.470
NAV per Unit (SGD)	0.4686	0.4353
Unit in Circulation (million)	6.716	7.970

## USD Class

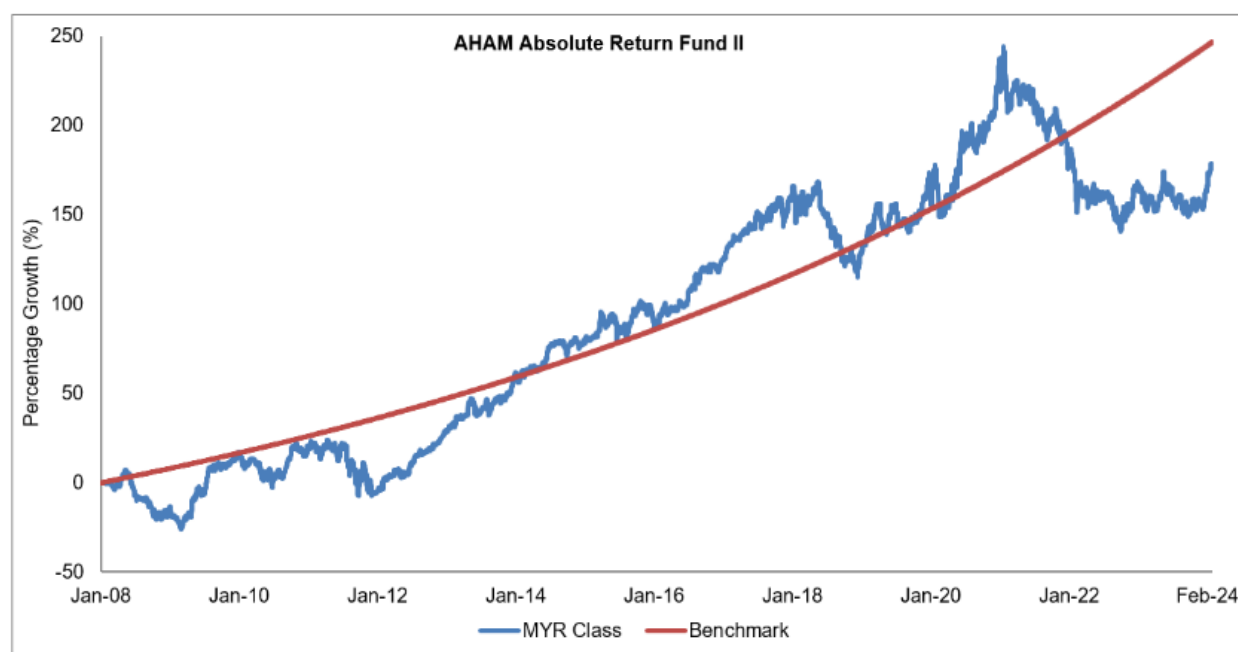
Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (USD'million)	5.686	8.092
NAV per Unit (USD)	0.4559	0.4265
Unit in Circulation (million)	12.472	18.973

## Fund Performance

Performance as at 29 February 2024

	3 Months (1/12/23 - 29/2/24)	6 Months (1/9/23 - 29/2/24)	1 Year (1/3/23 - 29/2/24)	3 Years (1/3/21 - 29/2/24)	5 Years (1/3/19 - 29/2/24)	Since Commencement (8/1/08 - 29/2/24)
MYR Class	8.74%	7.03%	7.22%	(13.62%)	15.77%	176.66%
Benchmark	1.94%	3.91%	8.02%	26.00%	46.99%	246.74%
Outperformance	6.80%	3.12%	(0.80%)	(39.62%)	(31.22%)	(70.08%)

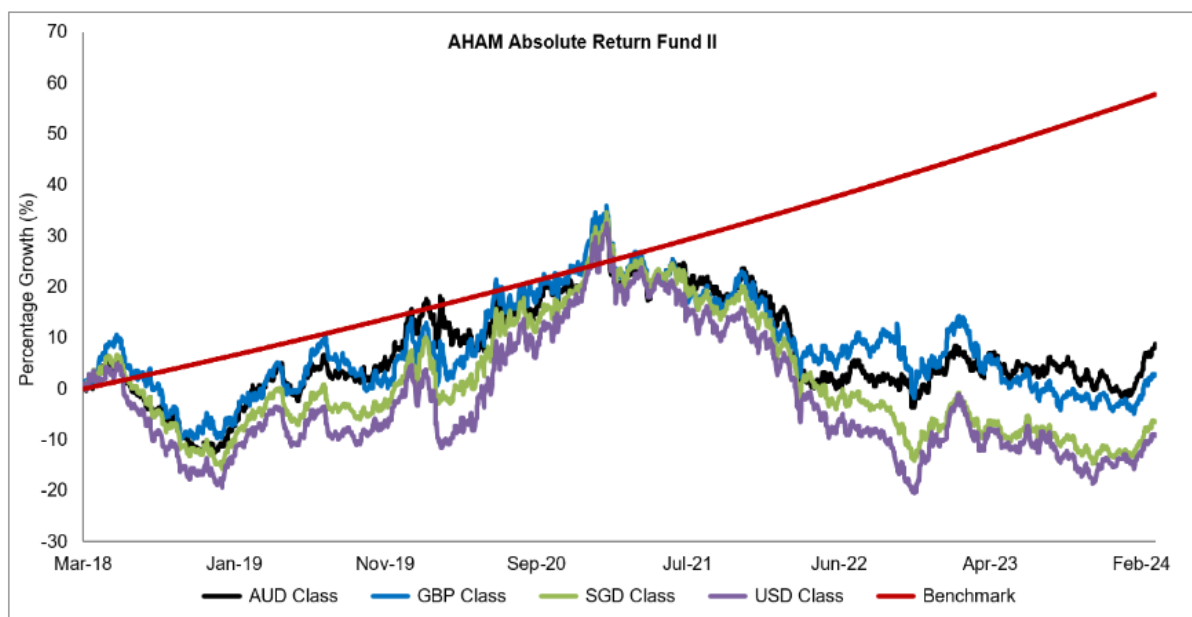
Movement of the Fund versus the Benchmark



	3 Months (1/12/23 - 29/2/24)	6 Months (1/9/23 - 29/2/24)	1 Year (1/3/23 - 29/2/24)	3 Years (1/3/21 - 29/2/24)	5 Years (1/3/19 - 29/2/24)	Since Commencement (30/3/18 - 29/2/24)
Benchmark	1.94%	3.91%	8.02%	26.00%	46.99%	57.79%
AUD Class	8.75%	4.07%	4.83%	(10.99%)	11.29%	8.86%
Outperformance	6.81%	0.16%	(3.19%)	(36.99%)	(35.70%)	(48.93%)
GBP Class	6.79%	4.62%	(3.27%)	(18.27%)	6.26%	2.88%
Outperformance	4.85%	0.71%	(11.29%)	(44.27%)	(40.73%)	(54.91%)
SGD Class	7.65%	4.06%	1.12%	(25.05%)	(0.26%)	(6.28%)
Outperformance	5.71%	0.15%	(6.90%)	(51.05%)	(47.25%)	(64.07%)

USD Class	6.89%	4.68%	1.45%	(25.94%)	(0.13%)	(8.82%)
Outperformance	4.95%	0.77%	(6.57%)	(51.94%)	(47.12%)	(66.61%)

#### Movement of the Fund versus the Benchmark



*"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."*  
 Benchmark: 8.0% per annum

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

#### Asset Allocation

Fund's asset mix during the period under review:

	29 February 2024
	(%)
Equity	74.49
Unit Trust	19.41
Cash & money market	6.10
Total	100.00

#### Income Distribution Breakdown

No distribution was declared by the Fund over the financial period under review.

#### Strategies Employed

Over the period under review, the Manager had maintained a relatively high exposure into high conviction stock ideas across the regional and domestic space. Investment level of the Fund was also kept ranging from moderate to high in a bid to stay defensive amidst a volatile market environment and capture opportunities when it arises.

## **Market Review**

Throughout the period under review, the trajectory of US equities remained notably positive. The S&P 500 index exhibited a steady upward trend, reflecting a market buoyed by a confluence of factors. December witnessed a robust 2.80% increase in the S&P 500, a testament to growing investor confidence bolstered by mounting speculation that the US Federal Reserve would halt its ongoing rate-hike cycle. This optimism extended into January, with the index surging by 1.60%, reaching new all-time highs, underpinned by strong economic indicators such as GDP growth and nonfarm payrolls. February saw a continuation of this upward trajectory, with the S&P 500 recording a remarkable 5.20% surge, setting yet another all-time high. This sustained positive momentum underscored a market environment characterized by resilience and optimism.

Central to the narrative shaping US equities during this period was the stance of the US Federal Reserve. In December 2023, Fed Chair Jerome Powell's articulation of a dovish outlook on interest rates provided a significant tailwind to market sentiment. The Federal Open Market Committee's decision to maintain benchmark interest rates within a targeted range of 5.25%-5.50%, coupled with indications of potential rate cuts in 2024, contributed to a sense of reassurance among investors. However, January witnessed a nuanced shift in the Fed's rhetoric, as policymakers opted to keep rates unchanged, citing the necessity for more conclusive evidence of inflationary pressures abating before considering further monetary accommodation. This adjustment in tone led to a marginal increase in US Treasury yields, signaling a recalibration of market expectations. February brought forth a blend of optimism and caution, with the core Personal Consumption Expenditures (PCE) index hinting at the potential easing of price pressures, offering respite to investors. Nonetheless, minutes from the January FOMC meeting revealed a more hawkish stance among members, fostering upward pressure on Treasury yields and prompting a reassessment of rate cut projections.

Across global markets, the sentiment was mixed but generally positive throughout the December to February period. Asian markets, as reflected by the MSCI Asia ex-Japan index, experienced fluctuations driven by a myriad of factors. December witnessed notable gains fueled by optimism surrounding the Federal Reserve's dovish pivot and a corresponding weakening of the US dollar. However, January brought with it a degree of volatility, characterized by a decline in market performance amidst reduced expectations of imminent rate cuts and higher bond yields. February saw a resurgence in market optimism, particularly in China, buoyed by stimulus measures enacted by the People's Bank of China (PBoC), aimed at bolstering economic growth. Anticipation surrounding China's annual parliamentary meeting in March added to the positive sentiment, with investors eagerly awaiting signals regarding economic targets and potential stimulus measures.

In Malaysia, market dynamics were influenced by both domestic and international factors. The benchmark KLCI exhibited a mixed performance but ultimately closed higher over the period. Political developments, including a significant Cabinet reshuffle and the signing of an MOU for a Johor-Singapore Special Economic Zone, contributed to market sentiment, underscoring the interplay between politics and economics in shaping investor perceptions. Despite these positive developments, Malaysia's GDP growth for the fourth quarter of 2023 fell short of expectations, signaling challenges within key sectors of the economy. In the bond market, the 10-year Malaysian Government Securities (MGS) yield fluctuated but remained relatively stable, aligning with a neutral stance maintained by Bank Negara Malaysia. These domestic market dynamics underscored the importance of both domestic policy initiatives and global economic trends in shaping Malaysia's investment landscape.

## **Investment Outlook**

Within equities, we favour Taiwan and Korea tech sectors due to their strong earnings growth potential, driven by the cyclical rebound and their significant exposure to the AI theme. Both countries have established themselves as key players in the global technology supply chain, and could be well-positioned to capitalize on the increasing demand for advanced technological solutions. In India and Indonesia, the focus will be on banks, industrials, and consumer sectors, recognizing their growth potential within the respective economies. These sectors are poised to benefit from favorable demographic trends, rising consumer spending, and infrastructure development initiatives. Additionally, we see opportunities for value creation and market outperformance in these areas. Conversely, we are adopting an underweight stance on China and Hong Kong until there is clarity on policies aimed at stabilizing the property sector, which is currently experiencing a decline. Uncertainty surrounding regulatory measures and the potential impact on property developers and related industries necessitates a cautious approach in these markets.

We maintain our positive outlook for fixed income asset class in 2024, as global growth is expected to moderate due to restrictive monetary policies and rising geopolitical tension. We expect volatility to persist, but at a tighter range compared to 2023. Inflation expectations have peaked, but inflationary environment may persist due to elevated commodity prices. The second half of 2024 may present higher noise as political uncertainties increase on the back of large number of elections especially the US Presidential election in November 2024.

Domestically, moderating growth and contained inflation continued to be supportive of the fixed income market. A lower government bond supply profile in 2024 due to fiscal consolidation is also a positive factor to the market. Domestic liquidity is ample with demand from duration coming from pension funds and lifers. Headline inflation may face upward pressure as the proposed targeted subsidies mechanism.

**AHAM ABSOLUTE RETURN FUND II**  
**(FORMERLY KNOWN AS AFFIN HWANG ABSOLUTE RETURN FUND II)**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024**

	Financial period ended <u>29.2.2024</u> RM	Financial period ended <u>28.2.2023</u> RM
<b>INVESTMENT INCOME/(LOSS)</b>		
Dividend income	2,833,818	2,664,120
Interest income from financial assets at amortised cost	73,965	-
Interest income from financial assets at fair value through profit or loss	-	159,984
Net gain on foreign currency exchange	330,447	5,679,663
Net gain on forward foreign currency contracts at fair value through profit or loss	-	1,185,557
Net gain/(loss) on financial assets at fair value through profit or loss	<u>24,721,670</u>	<u>(15,066,196)</u>
	<u>27,959,900</u>	<u>(5,376,872)</u>
<b>EXPENSES</b>		
Management fee	(2,812,538)	(3,249,816)
Custodian fee	(56,599)	(57,099)
Fund accounting fee	(27,000)	(30,000)
Auditors' remuneration	(8,609)	(8,602)
Tax agent's fee	(2,845)	(23,091)
Transaction costs	(1,181,872)	(926,168)
Other expenses	(433,479)	(266,157)
	<u>(4,522,942)</u>	<u>(4,560,933)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>	23,436,958	(9,937,805)
Taxation	<u>(247,981)</u>	<u>(423,983)</u>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>23,188,977</u>	<u>(10,361,788)</u>
Increase/(decrease) in net asset attributable to unitholders is made up of the following:		
Realised amount	(20,674,049)	(16,882,214)
Unrealised amount	<u>43,863,026</u>	<u>6,520,426</u>
	<u>23,188,977</u>	<u>(10,361,788)</u>



**AHAM ABSOLUTE RETURN FUND II**  
**(FORMERLY KNOWN AS AFFIN HWANG ABSOLUTE RETURN FUND II)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 FEBRUARY 2024**

	<u>2024</u> RM	<u>2023</u> RM
<b>ASSETS</b>		
Cash and cash equivalents	21,240,439	90,234,023
Amount due from brokers	-	5,656
Amount due from Manager		
- management fee rebate receivable	42,519	38,7217
Dividend receivables	277,028	295,478
Financial assets at fair value through profit or loss	325,028,225	332,303,677
<b>TOTAL ASSETS</b>	<u>349,062,194</u>	<u>422,877,555</u>
<b>LIABILITIES</b>		
Amount due to Manager		
- management fee	273,298	330,139
- cancellation of units	94,333	238,632
Fund accounting fee	6,000	6,000
Auditors' remuneration	8,609	8,602
Tax agent's fee	6,739	6,736
Tax provision	50,975	471,865
Other payables and accruals	11,748	12,196
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)</b>	<u>451,702</u>	<u>1,074,170</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>346,136,509</u>	<u>421,803,385</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>346,136,509</u>	<u>421,803,385</u>

**AHAM ABSOLUTE RETURN FUND II**  
**(FORMERLY KNOWN AS AFFIN HWANG ABSOLUTE RETURN FUND II)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 FEBRUARY 2024 (CONTINUED)**

	<u>2024</u>	<u>2023</u>
	RM	RM
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- AUD class	6,294,728	6,518,897
- GBP class	1,284,693	1,250,092
- MYR class	300,510,289	349,705,038
- SGD class	11,094,840	12,626,979
- USD class	26,951,959	51,702,379
	<u>346,136,509</u>	<u>421,803,385</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- AUD class	3,752,000	4,166,000
- GBP class	416,000	434,000
- MYR class	217,248,000	271,055,000
- SGD class	6,716,000	8,195,000
- USD class	12,472,000	25,653,000
	<u>240,604,000</u>	<u>309,503,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		
- AUD class	1.6777	1.5648
- GBP class	3.0882	2.8804
- MYR class	1.3833	1.2902
- SGD class	1.6520	1.5408
- USD class	2.1610	2.0155
	<u>1.6777</u>	<u>1.5648</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD class	AUD0.5443	AUD0.5192
- GBP class	GBP0.5144	GBP0.5318
- MYR class	RM1.3833	RM1.2902
- SGD class	SGD0.4686	SGD0.4634
- USD class	USD0.4559	USD0.4494
	<u>AUD0.5443</u>	<u>AUD0.5192</u>

**AHAM ABSOLUTE RETURN FUND II**  
**(FORMERLY KNOWN AS AFFIN HWANG ABSOLUTE RETURN FUND II)**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
**FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024**

	Financial period ended <u>29.2.2024</u> RM	Financial period ended <u>28.2.2023</u> RM
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	402,691,303	469,374,201
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	705,311	4,406,490
- AUD class	15,652	-
- GBP class	131,607	-
- MYR class	377,867	4,406,490
- SGD class	180,185	-
Cancellation of units	(80,449,082)	(41,615,518)
- AUD class	(684,545)	-
- GBP class	(183,905)	(474,046)
- MYR class	(59,435,880)	(37,772,889)
- SGD class	(2,117,365)	(368,247)
- USD class	(18,027,387)	(3,000,336)
Net Increase/(decrease) in net assets attributable to unitholders during the financial period	23,188,977	(10,361,788)
- AUD class	438,870	(135,514)
- GBP class	85,776	(48,729)
- MYR class	20,052,695	(8,752,699)
- SGD class	725,265	(268,586)
- USD class	1,886,371	(1,156,260)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>346,136,509</u>	<u>421,803,385</u>

**AHAM Asset Management Berhad**

Registration No: 199701014290 (429786-T)

Ground Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

Toll Free Number: 1800 88 7080 T: +603 2116 6000

[aham.com.my](http://aham.com.my)