



QUARTERLY REPORT
29 February 2024

AHAM World Series – **China Growth Fund**

MANAGER
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Built On Trust

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AHAM WORLD SERIES – CHINA GROWTH FUND

Quarterly Report and Financial Statements As at 29 February 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – China Growth Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period through investments in China equities
Benchmark	MSCI China 10/40 Index
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 (million)	73.447	77.723
NAV per Unit (RM)	0.7243	0.7245
Unit in Circulation (million)	101.417	107.266

USD Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (million)	6.651	6.723
NAV per Unit (USD)	0.3774	0.3841
Unit in Circulation (million)	17.624	17.503

MYR-Hedged Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (million)	137.855	153.231
NAV per Unit (RM)	0.3640	0.3732
Unit in Circulation (million)	378.797	410.374

Fund Performance

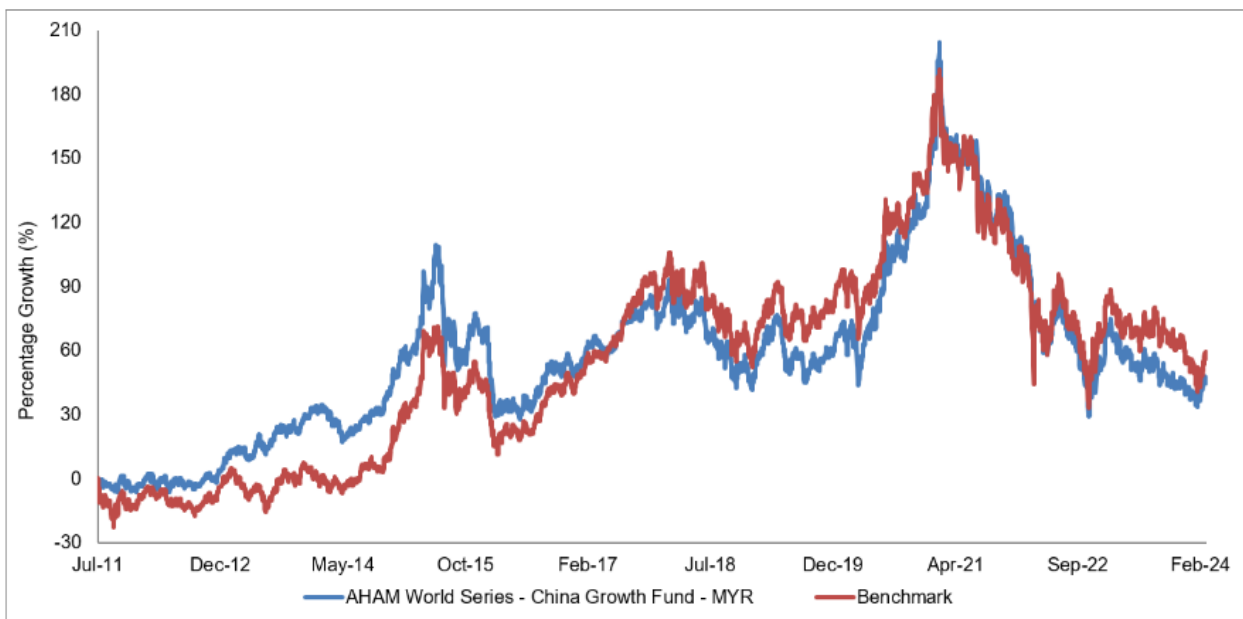
MYR Class

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 (1/8/11 - 29/2/24)
Fund	(0.03%)	(2.97%)	(9.06%)	(45.09%)	(12.44%)	44.86%
Benchmark	(3.18%)	(7.31%)	(8.74%)	(39.99%)	(11.93%)	56.37%
Outperformance	3.15%	4.34%	(0.32%)	(5.10%)	(0.51%)	(11.51%)

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



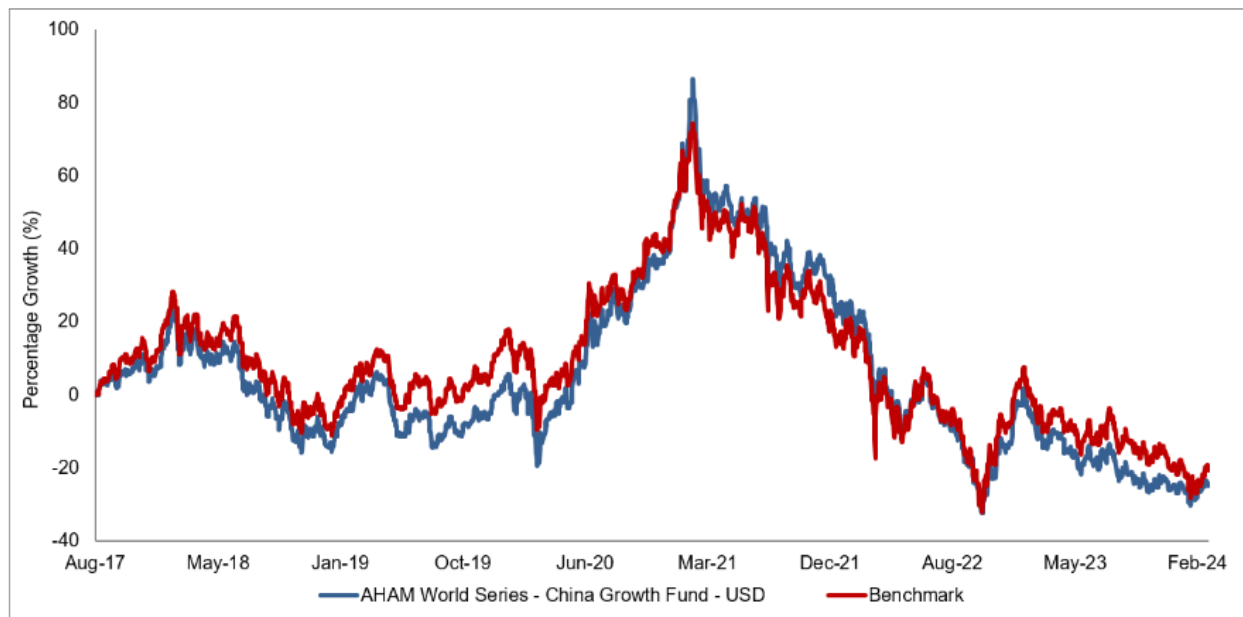
USD Class

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 (15/8/17 - 29/2/24)
Fund	(1.74%)	(5.08%)	(13.97%)	(53.12%)	(24.87%)	(24.52%)
Benchmark	(4.83%)	(9.36%)	(13.74%)	(48.77%)	(24.52%)	(20.45%)
Outperformance	3.09%	4.28%	(0.23%)	(4.35%)	(0.35%)	(4.07%)

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



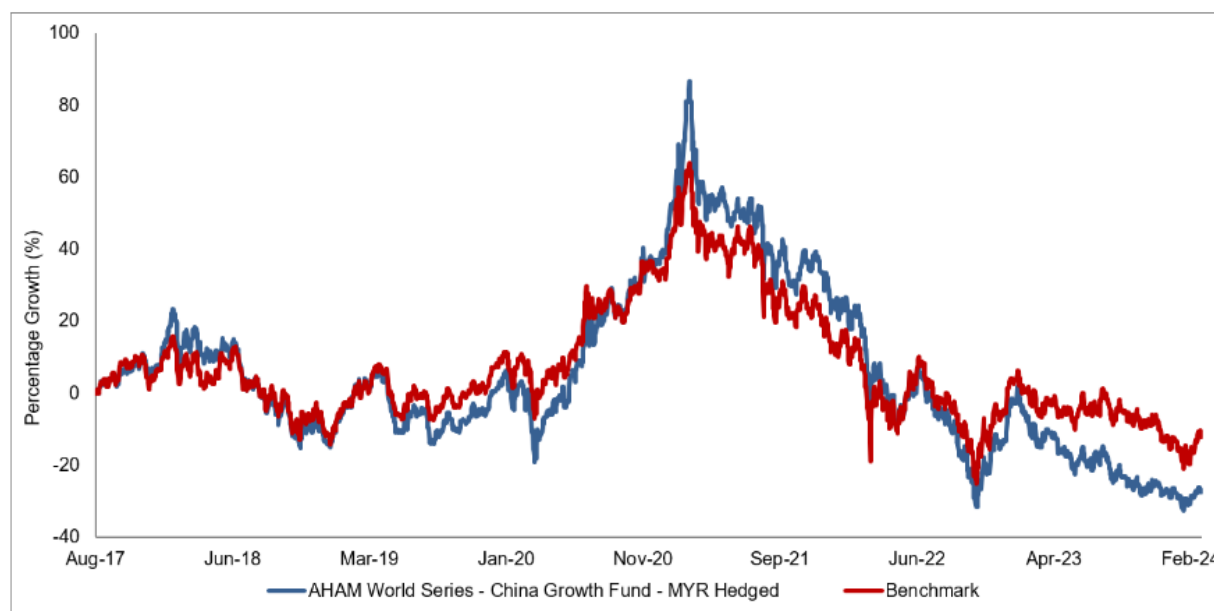
MYR Hedged-Class

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 (15/8/17 - 29/2/24)
Fund	(2.47%)	(6.64%)	(16.76%)	(54.86%)	(27.85%)	(27.20%)
Benchmark	(3.18%)	(7.31%)	(8.74%)	(39.99%)	(11.93%)	(12.10%)
Outperformance	0.71%	0.67%	(8.02%)	(14.87%)	(15.92%)	(15.10%)

Source of Benchmark: Bloomberg

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. Source of Benchmark is from Bloomberg."
 Benchmark: MSCI China 10/40 Index

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
	(%)
Unit Trust	97.88
Derivative	0.34
Cash & money market	1.78
Total	100.00

Income Distribution Breakdown

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

Strategies Employed

The Target Fund adopts a flexible style and has a focus on the structural change and reform in China. The portfolio seeks to capture full spectrum of opportunities for a changing China through access to full range of China-focused stocks. The structural reform focus offers dynamic opportunity to uncover reform beneficiaries and optimal investment themes in new and old economies.

Market Review

Weak macro environment and investors sentiment have been haunting the Chinese equity markets since the 2nd quarter of the year. Despite a strong rally in January when MSCI China gained 13% on the back of re-opening excitement, the rally was very short-lived, and the magnitude of fundamental improvement was also softer than expected. In addition, the explanatory power of earnings revision on stock price in China was exceptionally low in 2023. Capital flows also turned from net inflows to outflows. As a result, the Target Fund Manager saw a universal sell-off of heavily owned stocks irrespective of their fundamentals.

In the Target Fund, the main driver of this year's underperformance was its underweight and stock selection in Financials – in particular, its underweight in the 'big 4' banks and overweight in other retail banks. Stock picks in Industrials also weighed on the Target Fund's performance, particularly renewable energy stocks and airline stocks. The Target Fund Manager's stock selection in Utilities and Energy sectors also detracted but to a lesser extent. On the other hand, their stock picks in Information Technology significantly contributed due to their bets in Taiwanese tech stocks. Consumer Discretionary also helped offset some of the losses, driven by strong stock selection in Internet and travel companies. Communication Services also contributed thanks to their stock picks.

At a stock level, China Mengniu Dairy was the largest detractor this year. Despite relatively more resilient earnings than other consumer companies, Mengniu's stock price dropped amid a slowdown in Chinese consumption and foreign outflows. The Target Fund Manager's underweight in EV maker Li Auto also dragged their performance, as the stock gained on better-than-expected sales figures. Not owning Xiaomi hurt performance as the stock rallied on strong sales for its new flagship smartphone. Gas company ENN Energy was another top detractor this year, as the stock corrected after 1H23 results disappointed on the gas volume side, well below previous guidance. The Target Fund Manager's holdings in Shanghai International Airport also weighed on their performance due to muted international travels and disappointing duty-free revenue.

On the other hand, an off benchmark bet in Wiwynn, a Taiwanese server networking play, was the top contributor in 2023. The stock rallied significantly on the back of the rise of generative AI. Among the top contributors, other Taiwanese AI trend beneficiaries include Lotes (connector maker) and Nanya Tech (memory). Being underweight in E-commerce company JD.com and overweight PDD also contributed to relative performance, as JD's stock price tanked on margin pressure and price competition amid weak macro environment in China, whilst PDD's revenue growth beat expectation with resilient domestic business and overseas expansions. New Oriental Education was another top contributor to the target fund. While the company suffered from regulatory crackdown in 2021, it soared on the back of strong revenue growth this year driven by its diversifying business model outside of tutoring. Game developer NetEase also helped performance on strong game pipelines.

Investment Outlook

The Chinese government is expected to prioritize economic growth through fiscal stimulus, potentially aided by improved US-China relations and a global economic recovery. However, challenges remain, including limited room for monetary easing and a sluggish domestic consumption sector.

To navigate this environment, the Target Fund Manager is taking a selective approach within the portfolio. The Target Fund is shifting towards the Big Four banks for their dividend yields and potentially stable net interest margins. Additionally, companies with growing overseas expansion, like BYD and Sanhua Intelligent Controls, offer a hedge against potential domestic slowdowns.

On the other hand, the Target Fund Managers are cautious on the consumption sector due to low consumer confidence. However, they see opportunities in experience-based consumption like travel and luxury goods. The property sector remains a concern due to the slow implementation of government revival policies. The fund only has exposure to one property developer, China Resources Land, due to its strong balance sheet and diverse portfolio.

The Target Fund Managers will continuously monitor the effectiveness of government policies and economic data to identify new opportunities. The success of fiscal stimulus, the impact of US-China relations, and the revival of the property sector will be key factors in shaping the investment strategy throughout the year. This selective approach allows them to navigate potential headwinds while capitalizing on emerging opportunities in the Chinese market.

AHAM WORLD SERIES – CHINA GROWTH FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES – CHINA GROWTH FUND)

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

	Financial period ended <u>29.2.2024</u> USD	Financial period ended <u>28.2.2023</u> USD
INVESTMENT LOSS		
Interest income from financial assets at amortised cost	2,654	8,993
Net loss on foreign currency exchange	(8,217)	(49,052)
Net loss on forward foreign currency contracts at fair value through profit or loss	(1,716,533)	(1,744,849)
Net loss on financial assets at fair value through profit or loss	(1,312,790)	(7,474,413)
	<u>(3,034,886)</u>	<u>(9,259,321)</u>
EXPENSES		
Management fee	(778,778)	(864,179)
Trustee fee	(21,633)	(24,028)
Fund accounting fee	(702)	-
Auditors' remuneration	(1,330)	(1,452)
Tax agent's fee	(582)	(636)
Other expenses	(328)	(533)
	<u>(803,353)</u>	<u>(890,828)</u>
NET LOSS BEFORE TAXATION	(3,838,239)	(10,150,149)
Taxation	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(3,838,239)</u>	<u>(10,150,149)</u>
Decrease in net asset attributable to unitholders is made up of the following:		
Realised amount	(9,573,824)	(5,034,786)
Unrealised amount	5,735,585	(5,115,363)
	<u>(3,838,239)</u>	<u>(10,150,149)</u>

AHAM WORLD SERIES – CHINA GROWTH FUND
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024

	<u>2024</u> USD	<u>2023</u> USD
ASSETS		
Cash and cash equivalents	1,067,382	1,853,542
Amount due from broker	162,772	-
Amount due from Manager		
- creation of units	42,547	555,785
- management fee rebate receivable	29,680	39,970
Financial assets at fair value through profit or loss	50,141,764	65,783,090
Forward foreign currency contracts at fair value through profit or loss	173,629	-
TOTAL ASSETS	<u>51,617,774</u>	<u>68,232,387</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	-	1,004,264
Amount due to broker	162,627	22,362
Amount due to Manager		
- management fee	72,395	97,996
- cancellation of units	147,808	92,961
Amount due to Trustee	2,011	2,722
Fund accounting fee	353	-
Auditors' remuneration	1,758	1,747
Tax agent's fee	691	1,463
Other payables and accruals	772	941
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>388,415</u>	<u>1,224,456</u>
NET ASSET VALUE OF THE FUND	<u>51,229,359</u>	<u>67,007,931</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>51,229,359</u>	<u>67,007,931</u>

AHAM WORLD SERIES – CHINA GROWTH FUND
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 29 February 2024 (CONTINUED)

	<u>2024</u> USD	<u>2023</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- MYR Class	15,495,150	20,280,025
- MYR-Hedged Class	29,083,394	38,849,019
- USD Class	6,650,815	7,878,887
	<u>51,229,359</u>	<u>67,007,931</u>
NUMBER OF UNITS IN CIRCULATION		
- MYR Class	101,417,000	114,174,000
- MYR-Hedged Class	378,797,000	398,297,000
- USD Class	17,624,000	17,959,000
	<u>497,838,000</u>	<u>530,430,000</u>
NET ASSET VALUE PER UNIT (USD)		
- MYR Class	0.1528	0.1776
- MYR-Hedged Class	0.0768	0.0975
- USD Class	0.3774	0.4387
	<u>0.3774</u>	<u>0.4387</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- MYR Class	RM0.7243	RM0.7965
- MYR-Hedged Class	RM0.3640	RM0.4373
- USD Class	USD0.3774	USD0.4387
	<u>USD0.3774</u>	<u>USD0.4387</u>

AHAM WORLD SERIES – CHINA GROWTH FUND
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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> USD	Financial period ended <u>28.2.2023</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	61,292,177	70,029,598
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	2,920,672	14,786,732
- MYR Class	696,702	3,449,044
- MYR-Hedged Class	1,595,266	10,655,984
- USD Class	628,704	681,704
Cancellation of units	(9,145,253)	(7,658,250)
- MYR Class	(3,061,054)	(3,092,446)
- MYR-Hedged Class	(4,955,650)	(4,007,818)
- USD Class	(1,128,549)	(557,986)
Net decrease in net assets attributable to unitholders during the financial period	(3,838,237)	(10,150,149)
- MYR Class	(619,279)	(2,442,530)
- MYR-Hedged Class	(3,023,633)	(6,690,205)
- USD Class	(195,325)	(1,017,414)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>51,229,359</u>	<u>67,007,931</u>

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