



**QUARTERLY REPORT**  
29 February 2024

# AHAM World Series – **Global Target Return Fund**

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**Built On Trust**

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# AHAM WORLD SERIES – GLOBAL TARGET RETURN FUND

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

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## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	AHAM World Series – Global Target Return Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period
Benchmark	ICE BofA 3 Month US Treasury Bill Index + 5%
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

### FUND PERFORMANCE DATA

#### USD Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (USD'million)	0.007	0.007
NAV per Unit (USD)	0.5892	0.5658
Unit in Circulation (million)	0.012	0.012

#### MYR-Hedged class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (RM'million)	1.681	1.675
NAV per Unit (RM)	0.5859	0.5662
Unit in Circulation (million)	2.869	2.958

#### SGD-Hedged class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (SGD'million)	0.385	0.371
NAV per Unit (SGD)	0.5440	0.5243
Unit in Circulation (million)	0.708	0.708

#### AUD-Hedged class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (AUD'million)	0.167	0.161
NAV per Unit (AUD)	0.5559	0.5351
Unit in Circulation (million)	0.301	0.301

**GBP-Hedged class**

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (GBP'million)	0.570	0.548
NAV per Unit (GBP)	0.5361	0.5152
Unit in Circulation (million)	1.064	1.064

**EUR-Hedged class**

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (EUR'million)	0.013	0.012
NAV per Unit (EUR)	0.4591	0.4427
Unit in Circulation (million)	0.028	0.028

**RMB-Hedged class**

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (RMB'million)	0.038	0.036
NAV per Unit (RMB)	0.5710	0.5514
Unit in Circulation (million)	0.066	0.066

**HKD-Hedged class**

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (HKD'million)	0.001	0.001
NAV per Unit (HKD)	0.2359	0.2252
Unit in Circulation (million)	0.003	0.003

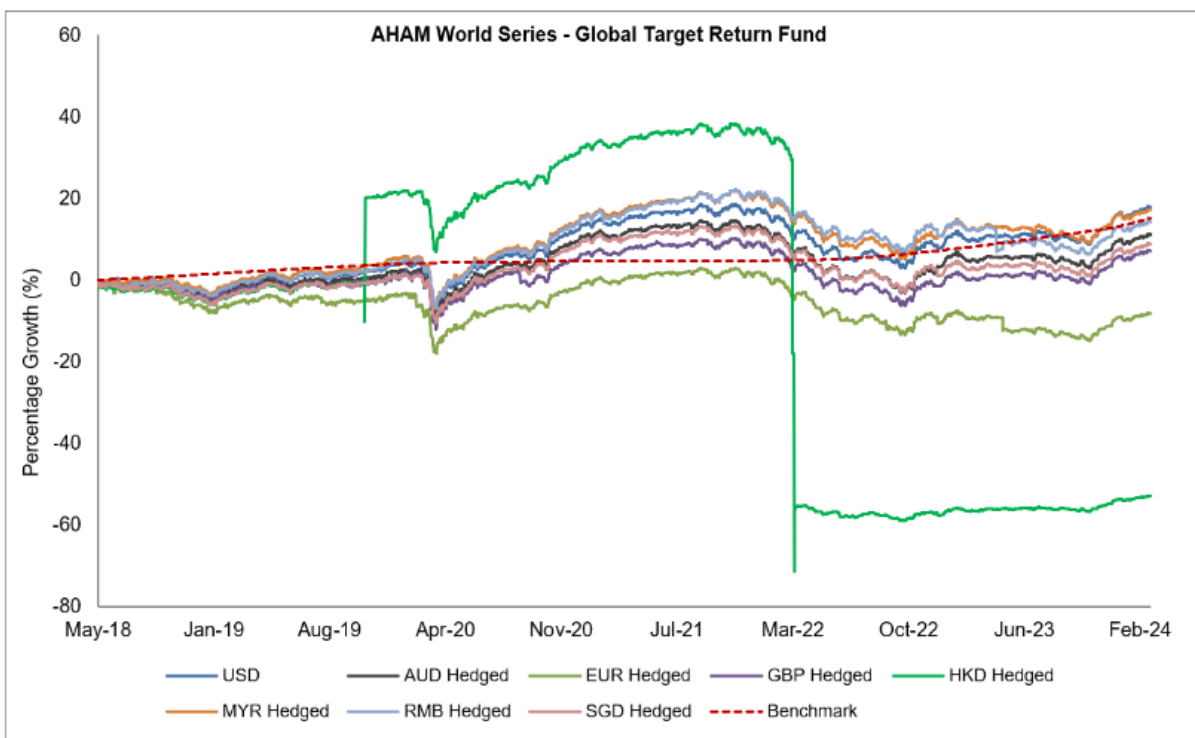
**Fund Performance**

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 (14/5/18 - 29/2/24)
<b>Benchmark</b>	2.36%	3.77%	6.56%	10.08%	12.92%	15.17%
<b>USD</b>	4.14%	6.20%	7.50%	3.46%	18.67%	17.84%
<b>Outperformance</b>	1.78%	2.43%	0.94%	(6.62%)	5.75%	2.67%
<b>AUD Hedged</b>	3.89%	5.44%	6.23%	0.22%	12.90%	11.18%
<b>Outperformance</b>	1.53%	1.67%	(0.33%)	(9.86%)	(0.02%)	(3.99%)
<b>EUR Hedged</b>	3.70%	5.20%	1.41%	(7.83%)	(3.51%)	(8.18%)
<b>Outperformance</b>	1.34%	1.43%	(5.15%)	(17.91%)	(16.43%)	(23.35%)
<b>GBP Hedged</b>	4.06%	5.97%	7.13%	0.60%	9.36%	7.22%
<b>Outperformance</b>	1.70%	2.20%	0.57%	(9.48%)	(3.56%)	(7.95%)

<b>HKD Hedged</b>	<b>4.75%</b>	<b>6.65%</b>	<b>8.66%</b>	<b>(64.54%)</b>	<b>(51.58%)</b>	<b>(52.82%)</b>
<b>Outperformance</b>	<b>2.39%</b>	<b>2.88%</b>	<b>2.10%</b>	<b>(74.62%)</b>	<b>(64.50%)</b>	<b>(67.99%)</b>
<b>MYR Hedged</b>	<b>3.48%</b>	<b>4.77%</b>	<b>4.29%</b>	<b>0.83%</b>	<b>16.85%</b>	<b>17.18%</b>
<b>Outperformance</b>	<b>1.12%</b>	<b>1.00%</b>	<b>(2.27%)</b>	<b>(9.25%)</b>	<b>3.93%</b>	<b>2.01%</b>
<b>RMB Hedged</b>	<b>3.55%</b>	<b>5.16%</b>	<b>1.76%</b>	<b>(0.99%)</b>	<b>14.43%</b>	<b>14.20%</b>
<b>Outperformance</b>	<b>1.19%</b>	<b>1.39%</b>	<b>(4.80%)</b>	<b>(11.07%)</b>	<b>1.51%</b>	<b>(0.97%)</b>
<b>SGD Hedged</b>	<b>3.76%</b>	<b>5.32%</b>	<b>6.04%</b>	<b>(1.05%)</b>	<b>11.59%</b>	<b>8.80%</b>
<b>Outperformance</b>	<b>1.40%</b>	<b>1.55%</b>	<b>(0.52%)</b>	<b>(11.13%)</b>	<b>(1.33%)</b>	<b>(6.37%)</b>

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: ICE BofA 3 Month US Treasury Bill Index + 5%

**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:

	<b>29 February 2024</b>
	(%)
Unit Trust	99.00
Derivative	-0.21
Cash & money market	1.21
<b>Total</b>	<b>100.00</b>

## **Income Distribution Breakdown**

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

## **Strategies Employed and Market Review**

### **Equities**

With US core inflation continuing to weaken and growth slowing, markets have quickly shifted towards a cycle of rate cuts in 2024. This was reinforced by Fed chair Jerome Powell, who indicated that the central bank was aware of the risk of keeping rates at restrictive levels for too long. Policymakers now expect rates to end 2024 at 4.5%-4.75%, down from the current 5.25%-5.5% range. Global equities rallied strongly in response, with the S&P500 up 4.5% over the month and European equities up 3%. Australian equities outperformed gaining 5%. Emerging market equities marginally underperformed, held back by Chinese equities which were down 2% amid ongoing worries over the real estate sector.

Over the month, the Target Fund Manager increased the equity allocation to 31% delta-adjusted as they added 2% to equities but also bought another 5% notional put- spread, which protects the portfolio until April from a fall between 4700 and 4300 on the S&P 500.

### **Fixed Income**

Government bond yields fell sharply, and credit spreads contracted, with corporate bonds outperforming government bonds in response to the Fed's policy shift. Other major central banks appear more cautious on the inflation outlook and have pushed back against market expectations for a large rate cutting cycle in 2024. As markets priced in easing conditions, government bond yields fell across the board. The US 10-year Treasury yield fell from 4.35% at the end of Q3 to 3.87%, the German 10-year Bund yield ended the month 0.42% lower at 2.03%, while the Japanese 10-year bond yield fell 0.04% to 0.63%. In February, bond yields increased across most markets, notably in the US and German front end, which jumped by 0.41% and 0.47% respectively over the month to finish at 4.62% for the US 2 year bond yield and 2.90% for the German 2 year bond yield. The US 10 year bond yield increased by 0.34% to finish the month at 4.25%. Credit spreads across both investment grade and high yield compressed, while the US dollar rallied by 0.9%.

Within fixed income, the Target Fund Manager reduced US duration by 1 year at the start of the month from both US 2-year and US 5-year treasury futures. The yields on both moved 50bps higher during the month as the market went from pricing 150bps worth of cuts to 80bps in 2024. This appears far more realistic and closer to the Federal Reserve's prediction of 75bps this year. After the repricing, they added 0.5 years back to duration, with a quarter of a year in the front end of Germany and Australia. Our duration ended the month targeting 2.5 years.

### **Currencies**

Within foreign currency, the US dollar rebounded after a weak fourth quarter, with the US Dollar index rallying by almost 2.0% over the month. The Japanese yen and the Australian dollar were the underperformers selling off by -4.2% and -3.7% respectively in January relative to the US dollar.

In December, the Target Fund Manager reduced their USD exposure by 2.5%, buying 1% in AUD and 1% in emerging market currencies. They added 2% to JPY but against EUR and CHF to reduce the carry cost.

Despite their downgrade and reduction in exposure, they reiterate the need for some USD in portfolios as a hedge against risk assets.

## **Investment Outlook**

Equities continued their strong start to the year on the back of stronger economic data and earnings, led by the continued outperformance from the magnificent 7 stocks in the US. Global developed market equities rallied 4.7% in local currency terms in February. Chinese equities rallied strongly, returning 9.4% for the month based on the CSI 300 index, while US and Japanese equities also performed strongly.

The Target Fund Manager are becoming more positive on US equity fundamentals, but concerned over a potential short-term correction as positioning and market complacency is getting stretched.

The Target Fund Manager finds it difficult to articulate a plausible 'bullish' scenario for equities from here. Instead, they see one of two scenarios unfolding. Their equity allocation increased to 34% over the month but hold a 5% notional May 4900 put option which is 4% out of the money. Bond yields increased across most markets, notably in the US and German front end, which jumped by 0.41% and 0.47% respectively over the month to finish at 4.62% for the US 2 year bond yield and 2.90% for the German 2 year bond yield. The US 10 year bond yield increased by 0.34% to finish the month at 4.25%. Credit spreads across both investment grade and high yield compressed, while the US dollar rallied by 0.9%.

For government bonds, as resilient global growth and a higher than expected inflation print in the US, resulted in interest cuts being priced out of the US and Europe. At the start of the month, markets were pricing in close to 150 bps of cuts for 2024 in the US and Europe, while by the end of the month it was closer to 90 bps for both the US and Europe, with the first US rate cut not expected until June.

In December, the Target Fund Manager cut their duration exposure from 2.6 years at the Fund level to a low of 1.9 years as yields on US 10-year treasuries fell below 4%, as their expectations were that the market had priced in too many rate cuts for 2024. They used this as an opportunity to increase their US dollar exposure by 3.5%, predominantly from reducing the Euro and Canadian dollar. After bond yields rose throughout January, Target Fund Manager then added back to duration, targeting 2.6 years again at the Fund level, predominantly via US treasury futures. However, the market is still pricing in 150bps worth of rate cuts by the Fed this year. They will look to cut duration exposure in early February.

To hedge the portfolio from a potential increase in growth, the Target Fund Manager has re-established a 2% position in commodities as well as adding 1% in US energy equities. Commodities remain the only asset class which hasn't repriced with the soft landing narrative. This was funded by selling 2% in US investment grade and 1% in US high yield. We also switched 1% from US high yield to European high yield where valuations remain more attractive. If there is more evidence of an economic recovery, the Target Fund Manager are likely to reduce duration and trim credit in favour of equities.

## AHAM WORLD SERIES - GLOBAL TARGET RETURN 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
<b>INVESTMENT INCOME/(LOSS)</b>		
Net gain/(loss) on foreign currency exchange	1,597	(129,803)
Net loss on forward foreign currency contracts at fair value through profit or loss	(7,698)	(7,604)
Net gain on financial assets at fair value through profit or loss	113,401	3,733
	<u>107,300</u>	<u>(133,674)</u>
<b>EXPENSES</b>		
Management fee	(17,573)	(26,351)
Trustee fee	(470)	(704)
Auditors' remuneration	(1,735)	(1,341)
Tax agent's fee	(542)	(386)
Other expenses	(2,217)	(1,817)
	<u>(22,537)</u>	<u>(30,599)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>	84,763	(164,273)
Taxation	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>84,763</u>	<u>(164,273)</u>
Increase/(decrease) in net asset attributable to unitholders is made up of the following:		
Realised amount	(41,150)	(178,733)
Unrealised amount	125,913	14,460
	<u>84,763</u>	<u>(164,273)</u>



## AHAM WORLD SERIES - GLOBAL TARGET RETURN FUND

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

	<u>2024</u> USD	<u>2023</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	23,592	29,617
Amount due from broker	-	20,014
Amount due from Manager		
- management fee rebate receivable	1,462	1,920
Financial assets at fair value through profit or loss	1,483,749	1,967,059
Forward foreign currency contracts at fair value through profit or loss	3,347	10,349
<b>TOTAL ASSETS</b>	<u>1,512,150</u>	<u>2,028,959</u>
<b>LIABILITIES</b>		
Forward foreign currency contracts at fair value through profit or loss	6,433	27,491
Amount due to Manager		
- management fee	1,778	2,348
Amount due to Trustee	48	63
Auditors' remuneration	1,735	1,468
Tax agent's fee	1,346	1,523
Other payable and accruals	2,066	1,800
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)</b>	<u>13,406</u>	<u>34,693</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>1,498,744</u>	<u>1,994,266</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>1,498,744</u>	<u>1,994,266</u>

## AHAM WORLD SERIES - GLOBAL TARGET RETURN FUND

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

	<u>2024</u> USD	<u>2023</u> USD
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- AUD-Hedged Class	108,803	171,969
- EUR-Hedged Class	13,947	50,894
- GBP-Hedged Class	722,484	823,575
- HKD-Hedged Class	90	83
- MYR-Hedged Class	354,611	575,863
- RMB-Hedged Class	5,231	1,776
- SGD-Hedged Class	286,508	269,247
- USD Class	7,070	100,859
	<u>1,498,744</u>	<u>1,994,266</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- AUD-Hedged Class	301,000	489,000
- EUR-Hedged Class	28,000	106,000
- GBP-Hedged Class	1,064,000	1,363,000
- HKD-Hedged Class	3,000	3,000
- MYR-Hedged Class	2,869,000	4,597,000
- RMB-Hedged Class	66,000	22,000
- SGD-Hedged Class	708,000	708,000
- USD Class	12,000	184,000
	<u>5,051,000</u>	<u>7,472,000</u>

## AHAM WORLD SERIES - GLOBAL TARGET RETURN FUND

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

	<u>2024</u> USD	<u>2023</u> USD
<b>REPRESENTED BY (CONTINUED):</b>		
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- AUD-Hedged Class	0.3615	0.3517
- EUR-Hedged Class	0.4981	0.4801
- GBP-Hedged Class	0.6790	0.6042
- HKD-Hedged Class	0.0301	0.0276
- MYR-Hedged Class	0.1236	0.1253
- RMB-Hedged Class	0.0793	0.0807
- SGD-Hedged Class	0.4047	0.3803
- USD Class	0.5892	0.5481
	<u><u>0.5892</u></u>	<u><u>0.5481</u></u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD-Hedged Class	AUD0.5559	AUD0.5233
- EUR-Hedged Class	EUR0.4591	EUR0.4527
- GBP-Hedged Class	GBP0.5361	GBP0.5004
- HKD-Hedged Class	HKD0.2359	HKD0.2171
- MYR-Hedged Class	RM0.5859	RM0.5618
- RMB-Hedged Class	RMB0.5710	RMB0.5611
- SGD-Hedged Class	SGD0.5440	SGD0.5130
- USD Class	USD0.5892	USD0.5481
	<u><u>USD0.5892</u></u>	<u><u>USD0.5481</u></u>

## AHAM WORLD SERIES - GLOBAL TARGET RETURN FUND

### UNAUDITED STATEMENT OF CHANGES IN ASSET 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
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	1,772,745	3,018,637
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	18,433	65,989
- GBP-Hedged Class	-	11,176
- MYR-Hedged Class	18,433	54,813
Cancellation of units	(377,197)	(926,087)
- AUD-Hedged Class	(62,203)	(195,475)
- GBP-Hedged Class	(175,671)	(319,625)
- MYR-Hedged Class	(98,531)	(345,875)
- USD Class	(40,792)	(65,112)
Increase/(decrease) in net assets attributable to unitholders during the financial period	84,763	(164,273)
- AUD-Hedged Class	3,765	(31,658)
- EUR-Hedged Class	866	(1,919)
- GBP-Hedged Class	58,789	(88,545)
- HKD-Hedged Class	6	-
- MYR-Hedged Class	4,123	(43,645)
- RMB-Hedged Class	179	(86)
- SGD-Hedged Class	16,197	2,214
- USD Class	838	(634)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>1,498,744</u>	<u>1,994,266</u>

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