AHAM CAPITAL
ASSET MANAGEMENT

QUARTERLY REPORT
29 February 2024

AHAM **World Series - Income** Fund

MANAGER
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Built On Trust

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AHAM WORLD SERIES - INCOME FUND

Quarterly Report and Financial Statements
As at 29 February 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series - Income Fund
Fund Type	Growth & Income
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation and regular income over medium to long term period.
Benchmark	Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index
Distribution Policy	Subject to the availability of income, the Fund will make distribution to the Unit Holders on a monthly basis. However, the amount of income available for distribution may fluctuate from month to month. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital or (6) a combination of any of the above.

FUND PERFORMANCE DATA

MYR Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (RM'million)	1.904	0.278
NAV per Unit (RM)	0.5129	0.5000
Unit in Circulation (million)	3.712	0.556

MYR Hedged Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (RM'million)	25.263	0.030
NAV per Unit (RM)	0.4926	0.5000
Unit in Circulation (million)	51.287	0.060

USD Class

Category	As at 29 Feb 2024	As at 30 Nov 2023
Total NAV (USD'million)	0.123	0.010
NAV per Unit (USD)	0.4937	0.5000
Unit in Circulation (million)	0.249	0.020

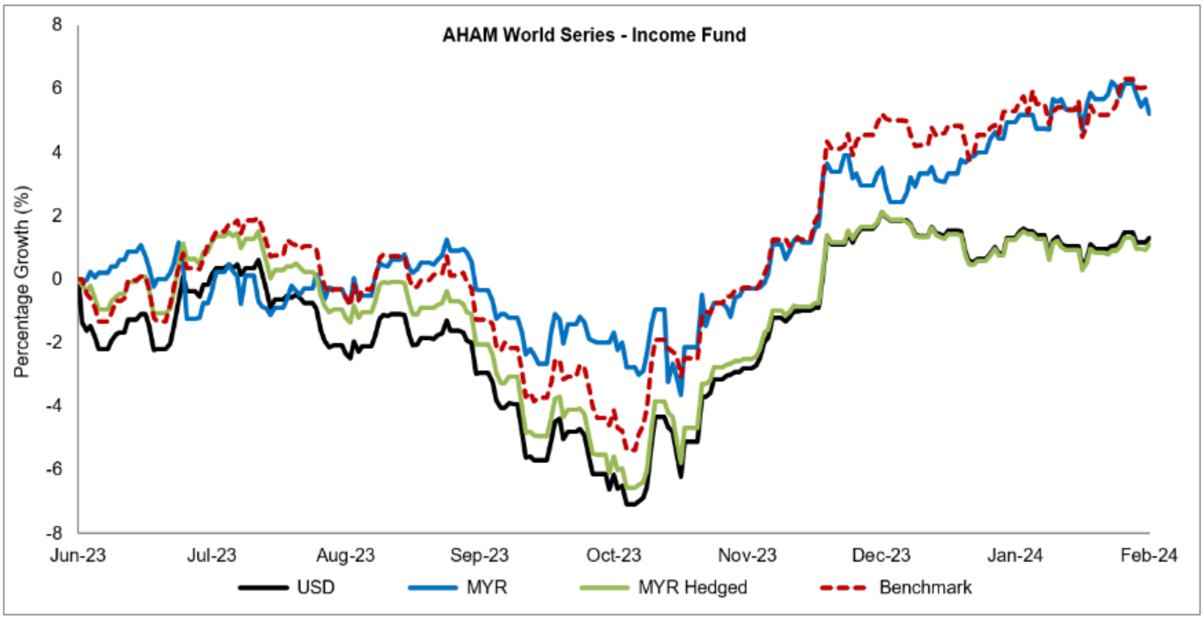
Fund Performance

Performance as at 29 February 2024

	3 Months (1/12/23 - 29/2/24)	6 Months (1/9/23 - 29/2/24)	Since Commencement (17/6/23 - 29/2/24)
Benchmark	**5.71%**	**5.43%**	**6.20%**
USD	**3.22%**	**2.51%**	**1.32%**
Outperformance	**(2.49%)**	**(2.92%)**	**(4.88%)**
MYR	**5.02%**	**4.79%**	**5.21%**
Outperformance	**(0.69%)**	**(0.64%)**	**(0.99%)**
MYR Hedged	**2.74%**	**1.23%**	**1.11%**
Outperformance	**(2.97%)**	**(4.20%)**	**(5.09%)**

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: Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate 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	86.90
Derivative	-1.12
Cash & money market	14.22
Total	**100.00**

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2024-02-22	0.3300	100	-	-
	2024-01-22	-	-	0.3300	100
	2023-12-20	0.3300	100	-	-
MYR Hedged	2024-02-22	0.3300	100	-	-
	2024-01-22	0.0060	2	0.3240	98
	2023-12-20	0.3300	100	-	-
USD	2024-02-22	0.3300	100	-	-
	2024-01-22	-	-	0.3300	100
	2023-12-20	0.3000	91	0.0300	9

Strategies Employed

The investment strategy for the fund is designed to deliver an uninterrupted and competitive level of income while maximizing the potential for capital appreciation. The fund's approach incorporates dynamic asset allocation, ensuring that the portfolio is regularly monitored and adjusted to adapt to changing market conditions. This flexibility allows portfolio managers to refine the composition of the portfolio, aligning it with its intended outcome and maximizing returns.

In terms of the target fund's investment focus, it seeks growth opportunities through a diversified portfolio of transferable securities. This includes equity securities and a mix of long- and short-term debt securities. The fund strategically invests in common stocks of companies spanning various industries, as well as corporate, foreign, and US Treasury bonds. This comprehensive approach underscores the fund's commitment to capitalizing on a wide range of investment opportunities for the benefit of its investors.

As rates moved higher over the last 16-18 months, the Target Fund Manager opportunistically allocated investment grade corporate bonds and US Treasuries at attractive yields and prices. While investment-grade credit spreads have contracted over the past year, the increase in absolute yield continues to be appealing for an income-generating strategy.

Market Review

US stocks surged in November and December, rebounding from three consecutive monthly declines and ending 2023’s fourth quarter and full year with strong gains. Moderating inflation and a softening but resilient job market led to investor optimism that the US Federal Reserve (Fed) has concluded its rate-hiking cycle and can maneuver the US economy into a soft landing. Investor sentiment was further bolstered by a drop in US Treasury (UST) yields and better-than-expected company earnings. Against this backdrop, the S&P 500 posted its best quarterly performance since 2020’s fourth quarter.

Equity market gains were broad-based, as 10 out of 11 S&P 500 sectors rose, with energy the only sector declining. Overall, small-cap stocks generated the largest gains, followed by mid- and large-cap stocks. The Fed’s preferred inflation gauge, the core personal consumption expenditures price index, cooled from 3.6% year-over-year in September to 3.4% in October and 3.2% in November. This reading marks its lowest level since April 2021, but it is still above the Fed’s 2.0% long-run inflation target. The US labour market remained resilient but continued to moderate; the unemployment rate rose to 3.9% in October before edging down to 3.7% in November, while new jobs increased by 199,000 in November. US gross domestic product growth accelerated to a 4.9% annualized rate in 2023’s third quarter, driven by faster growth in consumer spending and inventory investment.

US stocks ended January 2024 with modest gains, advancing for the third consecutive month. US equity markets slid early in the month amidst concerns the US Federal Reserve (Fed) might not cut interest rates as aggressively as many investors had expected. However, equities soon recovered, with the S&P 500 reaching record highs as several companies reported stronger-than-expected earnings results for 2023’s fourth quarter and as investors remained optimistic about a soft landing. That said, investors turned more cautious to close the month, following the Fed’s indication that an interest-rate cut is unlikely at its next meeting in March. Equity market returns were narrow, with just five out of 11 S&P 500 sectors rising, led by the communication services and information technology (IT) sectors.

Amid a tug-of-war between economic optimism and monetary policy uncertainty, equity markets generated positive gains in January. Infrastructure and income-oriented sectors broadly underperformed as strong jobs and gross domestic product growth data in the U.S. seemed to push out potential rate cuts later in the year. Oil prices rose in January, reversing a streak of monthly declines since September, as winter storms paused production across several U.S. oil fields. The price per barrel of WTI crude rose from US$71.65 at the beginning of the month to US$75.85 at the end. Higher oil prices benefited energy infrastructure companies, which outperformed the S&P Global Infrastructure Index. Uncertainty over the timing of potential rate cuts in 2024, given strong economic data, weighed on longer-duration communications and renewables sectors.

Investment Outlook

The economic growth outlook has been a major area of focus for the fund, as central banks around the world have raised interest rates to combat elevated inflation. The US economy remains resilient, largely driven by a balanced labour market and robust consumption in goods and services, despite the federal funds target rate increasing by 525 basis points during this cycle. The Target Fund Manager continues to monitor the tightening of financial conditions as a leading indicator of future economic performance and Fed policy. Notwithstanding the easing of conditions during November and December, the lagged effect of Fed policy has resulted in a broad tightening of financial conditions; nominal yields and mortgage rates have moved higher, while loan growth across various categories is slowing due to banks reporting higher standards for lending.

The Target Fund manager retain a cautious view on equities as markets digest the lagged effect of monetary policy tightening, the shape of the yield curve, the cost of capital implications as rates remains higher for longer, and geopolitical risks. In 2023, equity market performance was driven by large cap, growth-oriented sectors, and market leadership was narrow. As enter 2024, there are signs of improving breadth as more sectors participated in the equity market rally during the last two months of the year. As income-focused investors, their asset allocation mix is driven primarily by bottom-up security selection, with a focus on company fundamentals as opposed to the direction of the broader equity market. While the capital return story differs by sector, their holdings are focused on businesses that show an ability to support attractive dividend yields and grow them over time.

Deficit spending, combined with the demand dynamics of Fed quantitative tightening and the increase in supply of USTs, resulted in an increase in the 10-year UST note’s yield to 4.93% by October-end. However, this reversed in November and December as USTs rallied and the 10-year UST ended 2023’s fourth quarter with a yield of 3.88%. The better-than-expected inflation data and a softer labour market led to market participants anticipating the Fed would halt further rate hikes and begin to cut interest rates during 2024. That said, the Target Fund manager continue to believe that the Fed will remain vigilant to ensure inflation does not return, and they continue to expect a lack of fiscal constraint to weigh on balancing budgets. These factors should provide attractive yields while helping to hedge the portfolio against volatility should see a drawdown in risk assets.

The Target Fund manager retain a favourable view of the corporate investment-grade sector as the attractiveness of higher quality assets has increased over the past 18 months. While investment-grade credit spreads have contracted over the past year, the increase I absolute yield continues to be appealing for an income-generating strategy. They believe average yields in the investment-grade sector, which are still at levels last seen in 2009 even after the rally to end 2023, offer compelling income opportunities. While the high-yield market offers attractive yields, the Target Fund manager remain balanced and selective due to the potential for higher refinancing costs and the possibility of an economic slowdown hurting companies’ fundamentals.

AHAM WORLD SERIES - INCOME FUND

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

	Financial period ended 29.2.2024 USD
INVESTMENT LOSS	
Dividend income	80,903
Net loss on foreign currency exchange	(8,811)
Net loss on forward foreign currency contracts at fair value through profit or loss	(94,025)
Net gain on financial assets at fair value through profit or loss	28,003
	6,070
EXPENSES	
Management fee	(33,227)
Trustee fee	(555)
Other expenses	(1,099)
	(34,881)
NET LOSS BEFORE FINANCE COST AND TAXATION	(28,811)
FINANCE COST	
Distributions	(87,679)
NET LOSS BEFORE FINANCE COST AND TAXATION	(116,490)
Taxation	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	(116,490)
Decrease in net asset attributable to unitholders is made up of the following:	
Realised amount	(196,096)
Unrealised amount	79,606
	(116,490)

AHAM WORLD SERIES - INCOME FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024

	2024
	USD
ASSETS	
Cash and cash equivalents	398,476
Amount due from Manager	
- creation of units	808,706
- management fee rebate receivable	1,986
Financial assets at fair value through profit or loss	5,087,532
Forward foreign currency contracts at fair value through profit or loss	11,321
TOTAL ASSETS	6,308,021
LIABILITIES	
Forward foreign currency contracts at fair value through profit or loss	77,134
Amount due to broker	370,000
Amount due to Manager	
- management fee	6,469
- cancellation of units	28
Amount due to Trustee	108
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	453,739
NET ASSET VALUE OF THE FUND	5,854,282
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	5,854,282

AHAM WORLD SERIES - INCOME FUND

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

	2024
	USD
REPRESENTED BY:	
FAIR VALUE OF OUTSTANDING UNITS	
- MYR Class	401,680
- MYR Hedged-class	5,329,666
- USD Class	122,936
	5,854,282
NUMBER OF UNITS IN CIRCULATION	
- MYR Class	3,712,000
- MYR Hedged-class	51,287,000
- USD Class	249,000
	55,248,000
NET ASSET VALUE PER UNIT (USD)	
- MYR Class	0.1082
- MYR Hedged-class	0.1039
- USD Class	0.4937
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- MYR Class	RM0.5129
- MYR Hedged-class	RM0.4926
- USD Class	USD0.4937

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

	Financial period ended 29.2.2024 USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH	-
Movement due to units created and cancelled during the financial period	
Creation of units arising from applications	6,102,717
- MYR Class	574,384
- MYR Hedged-class	5,406,035
- USD Class	122,298
Creation of units arising from distributions	71,679
- MYR Class	2,664
- MYR Hedged-class	67,065
- USD Class	1,950
Cancellation of units	(203,624)
- MYR Class	(178,488)
- MYR Hedged-class	(25,083)
- USD Class	(53)
Net decrease in net assets attributable to unitholders during the financial period	(116,490)
- MYR Class	3,120
- MYR Hedged-class	(118,351)
- USD Class	(1,259)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	5,854,282

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