



**QUARTERLY REPORT**  
29 February 2024

# **AHAM Total Return Fund**

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AHAM Asset Management Berhad  
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**Built On Trust**

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# AHAM TOTAL RETURN FUND

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

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## QUARTERLY REPORT

### FUND INFORMATION

|                      |  |
|----------------------|--|
| Fund Name            | AHAM Total Return Fund   |
| Fund Type            | Income & Growth  |
| Fund Category        | Derivatives (Wholesale)  |
| Investment Objective | The Fund seeks to provide total return over the medium to long-term investment horizon.    |
| Benchmark            | USD Libor 3 months +1.5%   |
| Distribution Policy  | The Fund is expected to provide annual distribution subject to the availability of income. |

### FUND PERFORMANCE DATA

| Category                      | As at<br>29 Feb 2024 | As at<br>30 Nov 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (USD'million)       | 5.261                | 5.087                |
| NAV per Unit (USD)            | 0.8188               | 0.7917               |
| Unit in Circulation (million) | 6.425                | 6.425                |

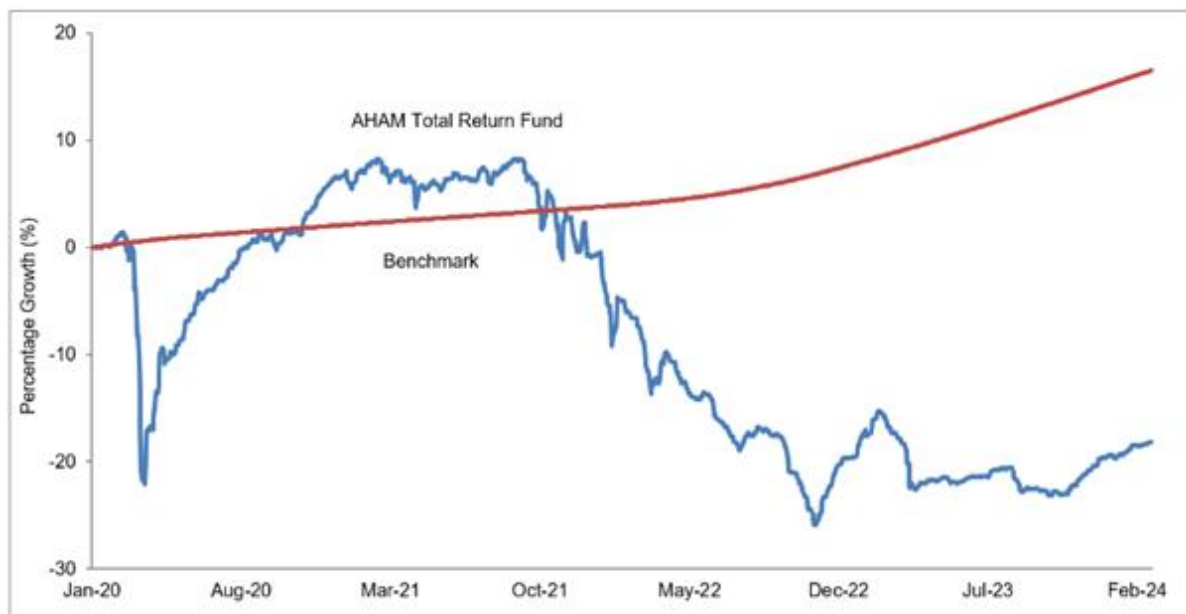
### Fund Performance

Performance as at 29 February 2024

|                       | 3 Months<br>(1/12/23 -<br>29/2/24) | 6 Months<br>(1/9/23 -<br>29/2/24) | 1 Year<br>(1/3/23 -<br>29/2/24) | 3 Years<br>(1/3/21 -<br>29/2/24) | Since<br>Commencement<br>(10/1/20 -<br>29/2/24) |
|-----------------------|------------------------------------|-----------------------------------|---------------------------------|----------------------------------|---|
| <b>Fund</b>           | <b>3.42%</b>                       | <b>5.87%</b>                      | <b>(0.96%)</b>                  | <b>(23.48%)</b>                  | <b>(18.12%)</b>                                 |
| <b>Benchmark</b>      | <b>1.72%</b>                       | <b>3.49%</b>                      | <b>7.03%</b>                    | <b>13.85%</b>                    | <b>16.53%</b>                                   |
| <b>Outperformance</b> | <b>1.70%</b>                       | <b>2.38%</b>                      | <b>(7.99%)</b>                  | <b>(37.33%)</b>                  | <b>(34.65%)</b>                                 |

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: USD Libor 3 months +1.5%

***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> |
|---------------------|-------------------------|
|                     | (%)                     |
| Derivative          | -43.26                  |
| Cash & money market | 143.26                  |
| <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**

The Fund's potential capital appreciation is expected to be derived from its investment in derivatives that provide exposure to the Reference Fund. The Fund's strategy is to invest a minimum of 50% of the Fund's NAV in such derivatives, on a rolling basis.

### **Market Review**

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 TOTAL RETURN FUND

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

|  | Financial<br>period ended<br><u>29.2.2024</u><br>USD | Financial<br>period ended<br><u>28.2.2023</u><br>USD |
|--|--|--|
| <b>INVESTMENT INCOME/(LOSS)</b>  |  |  |
| Net gain on foreign currency exchange  | 3  | -  |
| Net gain/(loss) on derivative at fair value<br>through profit or loss  | 287,170  | (507,880)  |
|  | <u>287,173</u>                                       | <u>(507,880)</u>                                     |
| <b>EXPENSES</b>  |  |  |
| Management fee   | (38,826)   | (81,985)   |
| Trustee fee  | (1,562)  | (3,289)  |
| Fund accounting fee  | (1,960)  | (1,831)  |
| Auditors' remuneration   | (1,564)  | (1,675)  |
| Tax agent's fee  | (577)  | (586)  |
| Other expenses   | (676)  | (1,079)  |
|  | <u>(45,165)</u>                                      | <u>(90,445)</u>                                      |
| <b>NET PROFIT/(LOSS) BEFORE TAXATION</b>   | 242,008  | (598,325)  |
| Taxation   | -  | -  |
|  | <u>-</u>   | <u>-</u>   |
| <b>NET PROFIT/(LOSS) AFTER TAXATION AND<br/>TOTAL COMPREHENSIVE INCOME/(LOSS)<br/>FOR THE FINANCIAL PERIOD</b> | <u>242,008</u>                                       | <u>(598,325)</u>                                     |
| Net profit/(loss) after taxation is made up of the following:  |  |  |
| Realised amount  | (71,605)   | (65,927)   |
| Unrealised amount  | 313,613  | (532,398)  |
|  | <u>242,008</u>                                       | <u>(598,325)</u>                                     |

## AHAM TOTAL RETURN FUND

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

|  | <u>2024</u><br>USD | <u>2023</u><br>USD |
|--|--------------------|--------------------|
| <b>ASSETS</b>                                      |                    |                    |
| Cash and cash equivalents                          | 30,422             | 210,793            |
| Derivative at fair value through<br>profit or loss | 5,238,957          | 6,366,031          |
| <b>TOTAL ASSETS</b>                                | <u>5,269,379</u>   | <u>6,576,824</u>   |
| <b>LIABILITIES</b>                                 |                    |                    |
| Amount due to Manager<br>- management fee          | 4,156              | 5,696              |
| Amount due to Trustee                              | 166                | 228                |
| Fund accounting fee                                | 210                | -                  |
| Auditors' remuneration                             | 1,648              | 1,560              |
| Tax agent's fee                                    | 1,376              | 1,391              |
| Other payable and accruals                         | 1,116              | 1,340              |
| <b>TOTAL LIABILITIES</b>                           | <u>8,672</u>       | <u>10,215</u>      |
| <b>NET ASSET VALUE OF THE FUND</b>                 | <u>5,260,707</u>   | <u>6,566,609</u>   |
| <b>EQUITY</b>                                      |                    |                    |
| Unitholders' capital                               | 7,855,259          | 9,041,312          |
| Accumulated losses                                 | (2,594,552)        | (2,474,703)        |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>      | <u>5,260,707</u>   | <u>6,566,609</u>   |
| <b>NUMBER OF UNITS IN CIRCULATION</b>              | <u>6,425,000</u>   | <u>7,943,000</u>   |
| <b>NET ASSET VALUE PER UNIT (USD)</b>              | <u>0.8188</u>      | <u>0.8267</u>      |

## AHAM TOTAL RETURN FUND

### UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2024

|   | Unitholders'<br><u>capital</u><br>USD | Accumulated<br><u>losses</u><br>USD | <u>Total</u><br>USD |
|---|---------------------------------------|-------------------------------------|---------------------|
| Balance as at 1 June 2023                           | 8,588,448                             | (2,836,560)                         | 5,751,888           |
| Total comprehensive income for the financial period | -                                     | 242,008                             | 242,008             |
| Movement in unitholder's capital:                   |                                       |                                     |                     |
| Cancellation of units                               | (733,189)                             | -                                   | (733,189)           |
| Balance as at 29 February 2024                      | <u>7,855,259</u>                      | <u>(2,594,552)</u>                  | <u>5,260,707</u>    |
| <br>  |                                       |                                     |                     |
| Balance as at 1 June 2022                           | 12,844,479                            | (1,876,378)                         | 10,968,101          |
| Total comprehensive loss for the financial period   | -                                     | (598,325)                           | (598,325)           |
| Movement in unitholder's capital:                   |                                       |                                     |                     |
| Creation of units arising from applications         | 2,000,308                             | -                                   | 2,000,308           |
| Cancellation of units                               | (5,803,475)                           | -                                   | (5,803,475)         |
| Balance as at 28 February 2023                      | <u>9,041,312</u>                      | <u>(2,474,703)</u>                  | <u>6,566,609</u>    |



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