

MONTHLY COMMENTARY

AHAM Smart Invest Portfolio – Income



Market Review & Outlook

July saw significant developments in US markets as investors processed a range of economic data. Nonfarm payrolls grew by 114,000 in July, down from 179,000 in June and below the 185,000 market estimate. The unemployment rate increased to 4.3%, the highest since October 2021. Despite these weak data releases, the Fed kept interest rates steady at its July FOMC meeting, with Fed Chair Jerome Powell signaling a possible rate cut in September if inflation eases. The S&P 500 gained 1.10%, driven by a rotation from megacap tech to small-cap stocks. US Treasury yields dropped, with the 10-year yield falling 37 bps to 4.03%. Bond markets now price in a higher likelihood of a 50 bps rate cut in September compared to the previous 25 bps expectation.

President Joe Biden withdrew from the 2024 presidential election, endorsing Vice President Kamala Harris. This political shift adds another layer of uncertainty to the market's base case, which still considers Trump a potential winner, though the odds of Republicans winning both houses of Congress may be lowered.

Internationally, Japan's Nikkei 225 fell 1.20% due to a stronger yen following the BoJ's rate hike and reduced bond-buying program. The MSCI Asia ex-Japan index dropped 0.60%, with Taiwan's benchmark gauge down 3.60% and the MSCI China index down 2.20%. In China, the PBOC cut the reverse repo rate and the benchmark loan prime rate to boost liquidity, though the market reaction was muted.

In Malaysia, the KLCI rose 2.30%, led by gains in the construction and plantation sectors, benefiting from the upcoming Johor-Singapore Special Economic Zone (JS-SEZ). The 10-year MGS yield fell 15 bps to 3.72%. June's CPI was 2.0% y-o-y, below the 2.20% estimate, indicating stable food prices and manageable services inflation. The modest increase in transport costs due to diesel subsidy rationalization suggests BNM will likely keep the OPR unchanged for the rest of the year.

Portfolio Review

The AHAM Smart Invest Portfolio – Income (“Fund”) returned -0.5% during the month.

- The Fund return was buffered by Malaysia and the Japan exposure benefited from the strengthening of Yen. However, the Fund’s remaining equities exposure was a detractor.
- On the global front, rates remained volatile after the release of CPI data increased the risk of a US recession, causing some pull back on both equities and fixed income alike.
- Across the month the strategy looks to add into Senior Loan funds to benefit from the higher yield while shielding away from the interest rates expectations.
- Cash levels is currently c.6%. The Fund will reduce some of its Quality and Japan exposure to cash as a further buffer given the recently volatility in the markets.

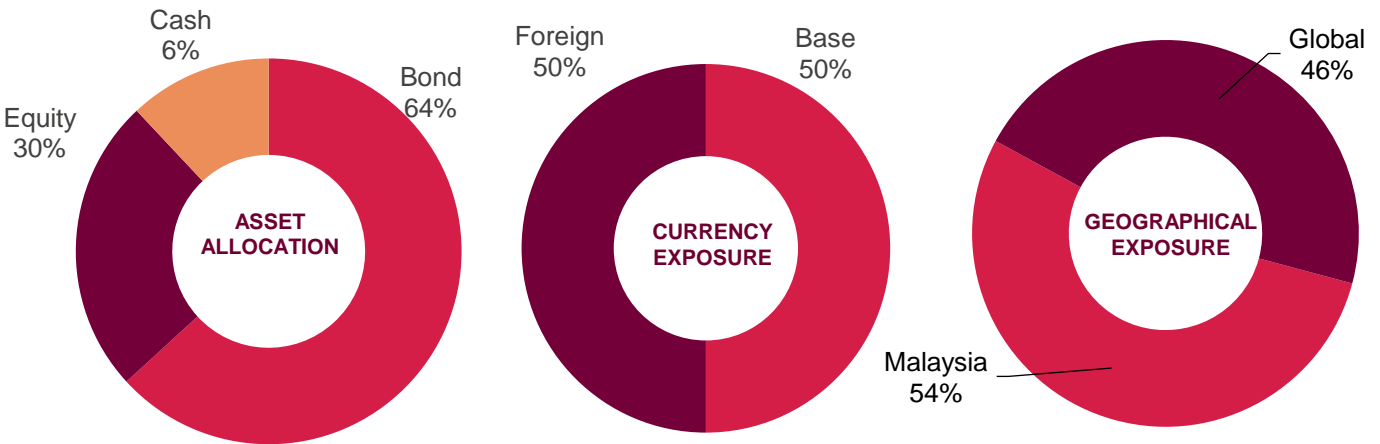
Source: Bloomberg, AHAM Capital, as at 31 July 2024.

Top Contributors	Return
AHAM Select Opportunity Fund	0.3%
Lazard Japanese Strategic Fund	0.2%
AHAM Aiiman ESG Income Plus	0.1%

Top Detractors	Return
iShares Core S&P 500	-0.2%
AHAM Global Thematic Mixed Asset Fund	-0.1%
Jupiter Global High Yield	-0.1%

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Target Asset Allocation



Portfolio Holdings	Weight	Monthly Attribution	YTD Return
AHAM Select Opportunity Fund	14.9%	0.3%	25.9%
UBS US Total Yield USD	10.0%	0.0%	10.0%
PIMCO Funds GIS Income Fund	10.0%	-0.1%	4.1%
AHAM Aiiman Global Thematic Mixed Asset Fund	8.0%	-0.1%	7.0%
Ishares Core S&P 500 UCITS ETF	8.0%	-0.2%	16.3%
AHAM AIIMAN ESG Income Plus Fund	7.5%	0.1%	2.8%
AHAM Bond Fund	7.5%	0.1%	2.7%
BlackRock Global Funds - Asian Tiger Bond Fund	6.0%	-0.1%	5.0%
Lazard Japanese Strategic Equity Fund	5.0%	0.2%	17.7%
AHAM ESG SGD Bond Fund - MYR Class	4.9%	-0.1%	2.1%
Jupiter Asset Management Global High Yield Bond	4.9%	-0.1%	7.0%
Capital Group Funds - Multi-Sector Income Fund Lux	4.8%	-0.0%	4.5%
Vanguard FTSE Developed Europe	3.0%	0.0%	8.3%
Cash	5.3%	0.0%	0.0%
AHAM Smart Invest Portfolio – Income	100.0%	-0.5%	5.1%

Performance & Portfolio Rebalancing

YTD	1-month	3-month	1-year	3-year (p.a.)	Since Inception (p.a.)
5.1%	-0.5%	1.5%	7.2%	-1.1%	1.5%

Portfolio Initiations	Weight
CS Nova (Lux) Global Senior Loan	3.0%

Portfolio Additions	Weight
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Portfolio Exits	Weight
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Portfolio Reductions	Weight
Cash	-3.0%

Source: Morningstar, AHAM Capital, as at 31 July 2024.
*Since Inception Date: 13 September 2020

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A copy of the Prospectus and Product Highlights Sheet ("PHS") can be obtained at AHAM Asset Management Berhad's sales offices or at aham.com.my. Investors are advised to read and understand the contents of contents of AHAM Smart Invest Portfolio – Income's Prospectus dated 22 November 2022 as well as the corresponding PHS before investing. There are fees and charges involved when investing in the Fund. Investors are advised to consider and compare the fees and charges as well as the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. The price of units and distribution payable, if any, may go down as well as up and the past performance of the Fund should not be taken as indicative of its future performance. The Securities Commission Malaysia has not reviewed this marketing/promotional material and takes no responsibilities for the contents of this marketing/promotional material and expressly disclaims all liability, however arising from this marketing/promotional material.