

**QUARTERLY REPORT**  
31 October 2023

**AHAM Single Bond  
Series 2**  
(Formerly known as Affin  
Hwang Single Bond Series 2)

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

TRUSTEE  
CIMB Islamic Trustee Berhad  
(167913-M)

**AHAM SINGLE BOND SERIES 2**  
**(FORMERLY KNOWN AS AFFIN HWANG SINGLE BOND SERIES 2)**

**Quarterly Report and Financial Statements**  
**As at 31 October 2023**

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## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	AHAM Single Bond Series 2 (Formerly known as Affin Hwang Single Bond Series 2)
Fund Type	Income
Fund Category	Bond (Wholesale)
Investment Objective	The Fund aims to provide regular income over the medium to long term period
Benchmark	12-month Malayan Banking Berhad Fixed Deposit Rate
Distribution Policy	Subject to the availability of income, the Fund will provide distribution on an annual basis

### FUND PERFORMANCE DATA

Category	As at 31 Oct 2023	As at 31 Jul 2023
Total NAV (USD'million)	-0.638	-0.638
NAV per Unit (USD)	0.0000	0.0000
Unit in Circulation (million)	96.950	96.950

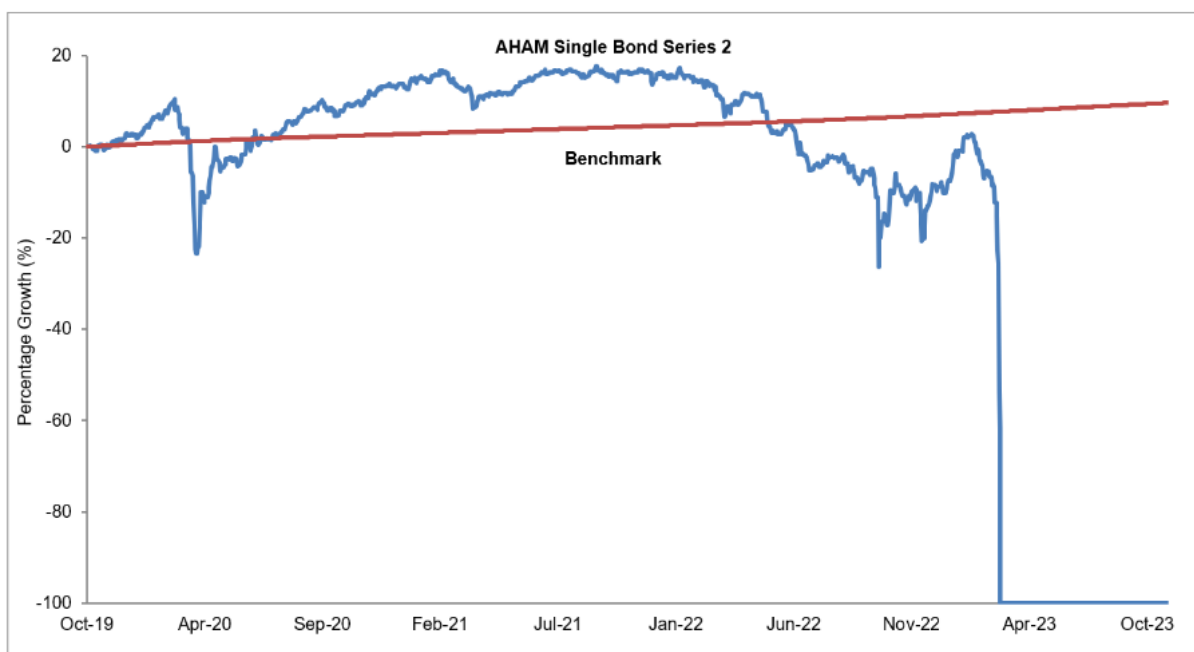
### Fund Performance

Table 1: Performance as at 31 October 2023

	3 Months (1/8/23 - 31/10/23)	6 Months (1/5/23 - 31/10/23)	1 Year (1/11/22 - 31/10/23)	3 Years (1/11/20 - 31/10/23)	Since Commencement (25/10/19 - 31/10/23)
Fund	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)
Benchmark	0.70%	1.44%	2.86%	6.95%	9.61%
Outperformance	(100.70%)	(101.44%)	(102.86%)	(106.95%)	(109.61%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



*"This information is prepared by AHAM Asset Management Berhad (formerly known as Affin Hwang 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: 12-month Malayan Banking Berhad Fixed Deposit Rate

**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:

31 October 2023  
 (%)  
 Nil

**Strategies Employed**

The Manager of the Fund is currently in the process of seeking recovery on its investment via the class action lawsuit post the write off event. Please see the section on State of Affairs of the Fund for further information.

**Market Review**

Following the unprecedented and controversial decision by the Swiss Financial Market Supervisory Authority ("FINMA") on 19 March 2023 to write-down CHF16 billion of Credit Suisse's Additional Tier 1 ("AT1") securities, UBS Group AG ("UBS") announced on 12 June 2023 that it had formally completed the acquisition of Credit Suisse. The now-enlarged UBS will have a balance sheet of USD1.6 trillion. According to news during the reporting period, UBS was also looking to reduce the total combined workforce by around 30% or 25,000 employees. Credit Suisse's total headcount was reported at around 45,000.

On 11 August 2023, UBS announced that it has ended the CHF9 billion loss protection agreement and the CHF100 billion public liquidity backstop that were initially put in place by the Swiss government back in March. This announcement followed a comprehensive assessment of Credit Suisse's potential losses which were not

as significant as earlier anticipated. Additionally, Credit Suisse has also fully repaid an emergency liquidity assistance loan of CHF50 billion obtained from the Swiss National Bank (“SNB”).

Further to this, on 31 August 2023, UBS posted its quarterly earnings results following its acquisition of Credit Suisse. It reported a quarterly profit before tax of USD29.2 billion, including a USD28.9 billion of negative goodwill from the acquisition. If excluding the negative goodwill and also integration-related expenses and acquisition costs, UBS’ adjusted profit before tax is USD1.1 billion. UBS also provided updates on the integration of Credit Suisse and financial targets by year-end 2026. Amongst the targets, UBS is aiming for USD10 billion worth of cost savings that is aimed to be achieved through the restructuring of its non-core and Credit Suisse Investment Banking segments, as well as from business synergies across its core businesses. UBS reported a Common Equity Tier 1 (“CET1”) capital ratio of 14.4% and targets a ~14% CET1 capital ratio over the medium term.

Since the announcement in March, several investor groups globally have initiated legal proceedings seeking compensation as a result of the write-down. Quinn Emanuel Urquhart & Sullivan LLP (“Quinn Emanuel”) and UK-based Pallas launched separate Swiss lawsuits against FINMA over the decision. Quinn Emanuel is representing plaintiffs with \$6bn of AT1 claims, while Pallas’s clients holds about \$2bn of CS AT1s.

### **Investment Outlook**

Please see the section below on State of Affairs of the Fund for developments on the investment of the Fund.

### **State of Affairs of the Fund**

As of 7 June 2023, Quinn Emanuel has informed us and other global AT1 bondholders that the Swiss Federal Administrative Court (“SFAC”) has effectively acknowledged receipt of the filing made by the firm on 18 April 2023. A judge has also been assigned to oversee proceedings. The Court has subsequently (i) ordered disclosure of FINMA’s decree whereby it ordered Credit Suisse to write down the AT1 bonds, (ii) requested the appellants’ further submissions on the significance of this decree (which such submissions are to be filed on 7 June 2023, and (iii) ordered the Swiss Financial Market Supervisory Authority (“FINMA”) to produce by 7 June 2023, the full file regarding its write down decision. This would encompass a comprehensive set of materials FINMA used to write down the AT1 bonds.

Quinn Emanuel has also filed bondholding information, including address, notional amount, market value and International Securities Identification Number (“ISIN”) as required by SFAC. This included information of the bond holdings of the Fund as at the date of write-down.

The legal proceeding is currently ongoing, and the Manager will maintain close communications with Quinn Emanuel on the progress of the lawsuit. Any material developments will be promptly communicated to investors.

The Manager is currently covering for the legal expenses incurred by the Fund. In the event of a successful recovery, the Fund will receive the net recovery value after deducting any pre-paid legal fees borne by the Manager.

**AHAM SINGLE BOND SERIES 2**  
**(FORMERLY KNOWN AS AFFIN HWANG SINGLE BOND SERIES 2)**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	Financial period ended <u>31.10.2023</u> RM	Financial period ended <u>31.10.2022</u> RM
<b>INVESTMENT LOSS</b>		
Interest income from financial assets at amortised cost	24,914	41,017
Interest income from financial assets at fair value through profit or loss	370,582	3,742,182
Net gain on foreign currency exchange	31,928	195,171
Net loss on forward foreign currency contracts at fair value through profit or loss	-	(62,196)
Net loss on currency swap at fair value through profit or loss	(6,669,427)	(6,200,324)
Net loss on financial assets at fair value through profit or loss	<u>(76,569,593)</u>	<u>(15,755,090)</u>
	<u>(82,811,596)</u>	<u>(18,039,240)</u>
<b>EXPENSES</b>		
Management fee	-	(273,217)
Trustee fee	(2,473)	(21,980)
Fund accounting fee	(2,000)	(8,000)
Auditors' remuneration	-	(5,984)
Tax agent's fee	-	(2,618)
Other expenses	(3,085)	(13,003)
	<u>(7,558)</u>	<u>(324,802)</u>
<b>NET LOSS BEFORE TAXATION</b>	(82,819,154)	(18,364,042)
Taxation	<u>(112,393)</u>	-
<b>NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>	<u><u>(82,931,547)</u></u>	<u><u>(18,364,042)</u></u>
Net loss after taxation is made up of the following:		
Realised amount	(3,183,599)	2,581,326
Unrealised amount	<u>(79,747,948)</u>	<u>(20,945,368)</u>
	<u><u>(82,931,547)</u></u>	<u><u>(18,364,042)</u></u>

**AHAM SINGLE BOND SERIES 2**  
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**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2023**

	<u>2023</u> RM	<u>2022</u> RM
<b>ASSETS</b>		
Cash and cash equivalents	142,687	3,412,501
Financial assets at fair value through profit or loss	-	78,455,886
Currency swap at fair value through profit or loss	-	502,308
<b>TOTAL ASSETS</b>	<u>142,687</u>	<u>82,370,695</u>
<b>LIABILITIES</b>		
Currency swap at fair value through profit or loss	-	6,644,462
Amount due to Manager - others	639,260	30,298
Amount due to Trustee	-	2,424
Auditors' remuneration	-	5,984
Tax agent's fee	3,500	6,118
Tax payable	134,523	-
Other payables and accruals	1,826	1,901
<b>TOTAL LIABILITIES</b>	<u>779,109</u>	<u>6,691,187</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>(636,422)</u>	<u>75,679,508</u>
<b>EQUITY</b>		
Unitholders' capital	94,072,460	94,737,493
Accumulated losses	(94,708,882)	(19,057,985)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>(636,422)</u>	<u>75,679,508</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<u>96,950,000</u>	<u>97,817,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>	<u>0.0000</u>	<u>0.7737</u>

**AHAM SINGLE BOND SERIES 2**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 February 2023	94,160,294	(10,030,435)	84,129,859
Total comprehensive loss for the financial period	-	(82,931,547)	(82,931,547)
Distributions	-	(1,746,900)	(1,746,900)
Movement in unitholder's capital:			
Creation of units arising from distributions	165,343	-	165,343
Cancellation of units	(253,177)	-	(253,177)
Balance as at 31 October 2023	<u>94,072,460</u>	<u>(94,708,882)</u>	<u>(636,422)</u>
Balance as at 1 February 2022	41,824,941	3,381,109	45,206,050
Total comprehensive loss for the financial period	-	(18,364,042)	(18,364,042)
Distributions	-	(4,075,052)	(4,075,052)
Movement in unitholder's capital:			
Creation of units arising from applications	58,083,915	-	58,083,915
Creation of units arising from distributions	396,438	-	396,438
Cancellation of units	(5,567,801)	-	(5,567,801)
Balance as at 31 October 2022	<u>94,737,493</u>	<u>(19,057,985)</u>	<u>75,679,508</u>



**AHAM Asset Management Berhad**

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