

QUARTERLY REPORT
31 October 2023

**AHAM Single Bond
Series 4**
(Formerly known as Affin
Hwang Single Bond Series 4)

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee
Berhad (313031-A)

AHAM SINGLE BOND SERIES 4
(FORMERLY KNOWN AS AFFIN HWANG SINGLE BOND SERIES 4)

Quarterly Report and Financial Statements
As at 31 October 2023

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Single Bond Series 4 (Formerly known as Affin Hwang Series Bond Series 4)
Fund Type	Income
Fund Category	Bond (wholesale)
Investment Objective	The Fund aims to provide regular income over 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)	-1.576	-1.544
NAV per Unit (USD)	0.0000	0.0000
Unit in Circulation (million)	133.481	133.481

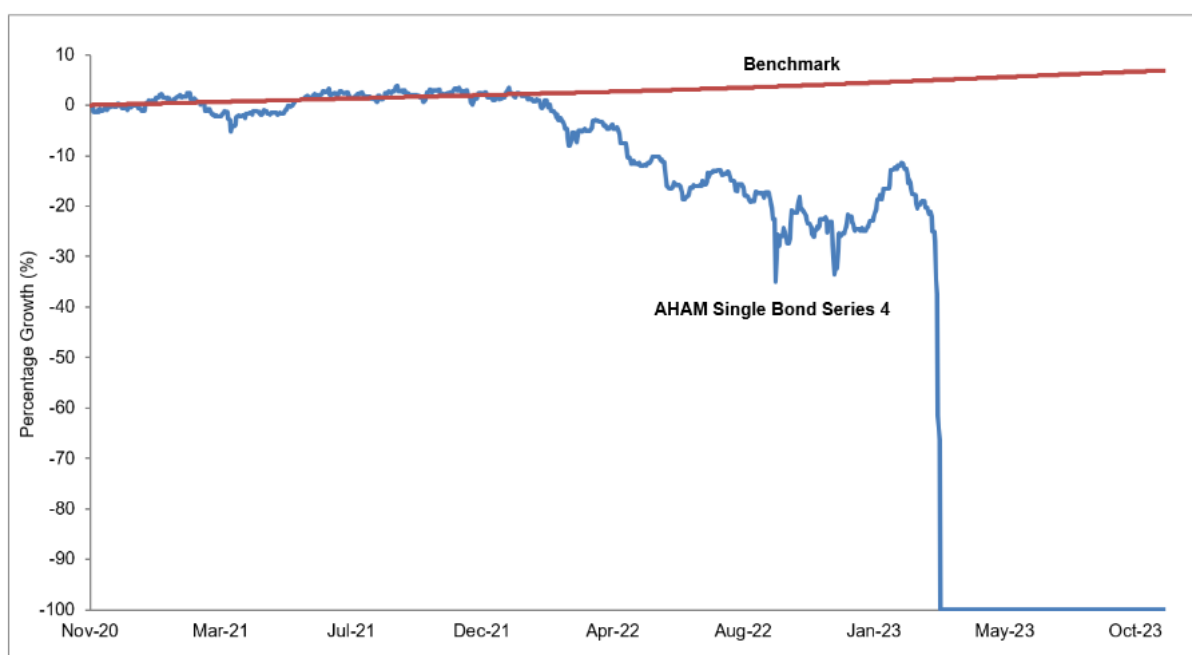
Fund Performance

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)	Since Commencement (9/11/20 - 31/10/23)
Fund	(100.00%)	(100.00%)	(100.00%)	(100.00%)
Benchmark	0.70%	1.44%	2.86%	6.90%
Outperformance	(100.70%)	(101.44%)	(102.86%)	(106.90%)

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 Malaysian 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 4
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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
INVESTMENT (LOSS)/INCOME		
Interest income from financial assets at amortised cost	21,918	65,126
Interest income from financial assets at fair value through profit or loss	-	4,396,849
Net gain on foreign currency exchange	189,930	14,789
Net loss on forward foreign currency contracts at fair value through profit or loss	-	(2,043)
Net loss on currency swap at fair value through profit or loss	(9,169,472)	(8,605,187)
Net loss on financial assets at fair value through profit or loss	(99,078,918)	(21,738,389)
	<u>(108,036,542)</u>	<u>(25,868,855)</u>
EXPENSES		
Management fee	-	(393,520)
Trustee fee	(3,218)	(31,505)
Fund accounting fee	(2,000)	(8,000)
Auditors' remuneration	-	(5,984)
Tax agent's fee	-	(2,618)
Other expenses	(5,489)	(16,124)
	<u>(10,707)</u>	<u>(457,751)</u>
NET LOSS BEFORE TAXATION	(108,047,249)	(26,326,606)
Taxation	(90,147)	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD	<u>(108,137,396)</u>	<u>(26,326,606)</u>
Net loss after taxation is made up of the following:		
Realised amount	(5,265,976)	5,263,228
Unrealised amount	(102,871,420)	(31,589,834)
	<u>(108,137,396)</u>	<u>(26,326,606)</u>

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	<u>2023</u> RM	<u>2022</u> RM
ASSETS		
Cash and cash equivalents	139,066	2,360,943
Amount due from Manager		
- creation of units	-	253,402
Financial assets at fair value through profit or loss	-	105,233,999
TOTAL ASSETS	<u>139,066</u>	<u>107,848,344</u>
LIABILITIES		
Currency swap at fair value through profit or loss	-	11,380,144
Amount due to Manager		
- management fee	-	39,226
- cancellation of units	1,576,500	37,365
Amount due to Trustee	-	3,138
Auditors' remuneration	-	5,984
Tax agent's fee	3,500	2,618
Tax payable	134,988	-
Other payables and accruals	467	450
TOTAL LIABILITIES	<u>1,715,455</u>	<u>11,468,925</u>
NET ASSET VALUE OF THE FUND	<u>(1,576,389)</u>	<u>96,379,419</u>
EQUITY		
Unitholders' capital	131,385,672	130,371,162
Accumulated losses	(132,962,061)	(33,991,743)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(1,576,389)</u>	<u>96,379,419</u>
NUMBER OF UNITS IN CIRCULATION	<u>133,481,000</u>	<u>132,142,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>0.0000</u>	<u>0.7294</u>

AHAM SINGLE BOND SERIES 4
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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	132,680,500	(22,929,177)	109,751,323
Total comprehensive loss for the financial period	-	(108,137,396)	(108,137,396)
Distributions	-	(1,895,488)	(1,895,488)
Movement in unitholder's capital:			
Creation of units arising from distributions	237,762	-	237,762
Cancellation of units	(1,532,590)	-	(1,532,590)
Balance as at 31 October 2023	<u>131,385,672</u>	<u>(132,962,061)</u>	<u>(1,576,389)</u>
Balance as at 1 February 2022	119,972,805	(2,354,804)	117,618,001
Total comprehensive loss for the financial period	-	(26,326,606)	(26,326,606)
Distributions	-	(5,310,333)	(5,310,333)
Movement in unitholder's capital:			
Creation of units arising from applications	13,893,794	-	13,893,794
Creation of units arising from distributions	357,765	-	357,765
Cancellation of units	(3,853,202)	-	(3,853,202)
Balance as at 31 October 2022	<u>130,371,162</u>	<u>(33,991,743)</u>	<u>96,379,419</u>

AHAM Asset Management Berhad

(Formerly known as Affin Hwang Asset Management Berhad)
Registration No: 199701014290 (429786-T)

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.
Toll Free Number: 1800 88 7080 T: +603 2116 6000 F: +603 2116 6100
www.aham.com.my