



**QUARTERLY REPORT**  
31 October 2024

# AHAM World Series – **China Allocation Opportunity Fund**

MANAGER  
AHAM Asset Management Berhad  
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**Built On Trust**

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# AHAM WORLD SERIES – CHINA ALLOCATION OPPORTUNITY FUND

## Quarterly Report and Financial Statements As at 31 October 2024

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## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	AHAM World Series – China Allocation Opportunity 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	There is no performance benchmark for this Fund	
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income for the respective Classes in the following manner, after the end of its first financial year:	
	<b>Class(es)</b>	<b>Distribution Policy</b>
	USD Class	Monthly basis
	MYR Class	
	MYR Hedged-class	Quarterly basis
	SGD Hedged-class	
AUD Hedged-class		

### FUND PERFORMANCE DATA

#### USD Class

Category	As at 31 Oct 2024	As at 31 Jul 2024
Total NAV (USD'million)	2.716	2.696
NAV per Unit (USD)	0.2929	0.2772
Unit in Circulation (million)	9.272	9.727

#### MYR Class

Category	As at 31 Oct 2024	As at 31 Jul 2024
Total NAV (RM'million)	10.432	13.306
NAV per Unit (RM)	0.3081	0.3179
Unit in Circulation (million)	33.857	41.862

#### MYR Hedged-class

Category	As at 31 Oct 2024	As at 31 Jul 2024
Total NAV (RM'million)	43.420	52.010
NAV per Unit (RM)	0.2650	0.2536
Unit in Circulation (million)	163.823	205.116

#### SGD Hedged-class

Category	As at 31 Oct 2024	As at 31 Jul 2024
Total NAV (SGD'million)	2.328	2.514
NAV per Unit (SGD)	0.2706	0.2583
Unit in Circulation (million)	8.603	9.733

## AUD Hedged-class

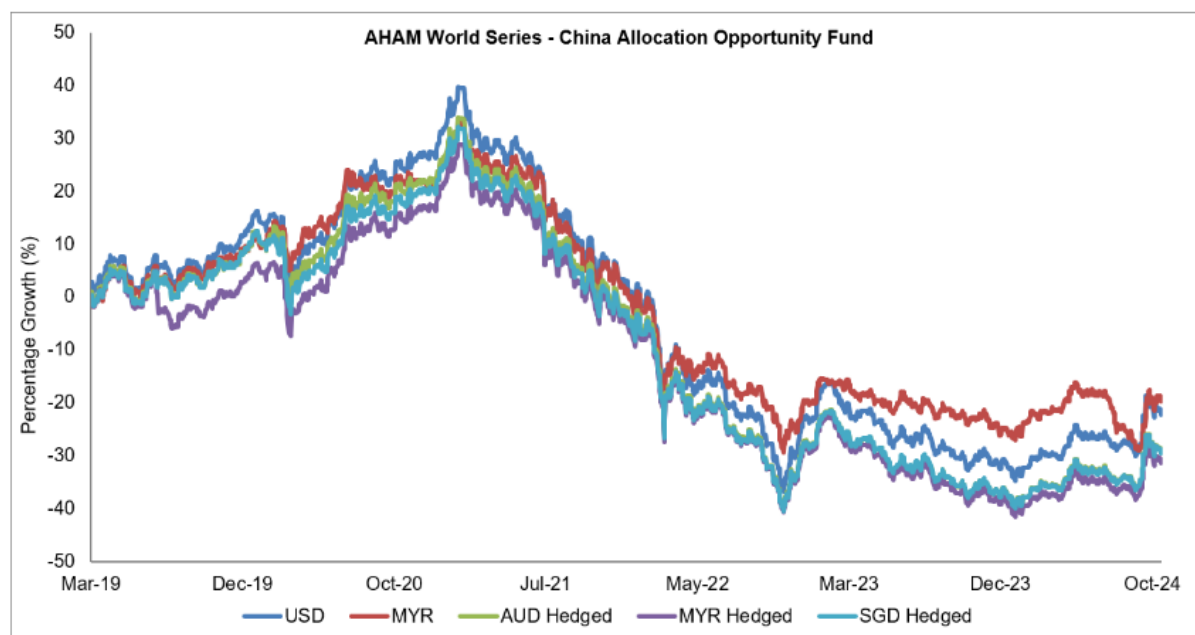
Category	As at 31 Oct 2024	As at 31 Jul 2024
Total NAV (AUD'million)	4.236	5.190
NAV per Unit (AUD)	0.2736	0.2614
Unit in Circulation (million)	15.483	19.858

## Fund Performance

Table 1: Performance as at 31 October 2024

Class	3 Months (1/8/24 - 31/10/24)	6 Months (1/5/24 - 31/10/24)	1 Year (1/11/23 - 31/10/24)	3 Years (1/11/21 - 31/10/24)	5 Years (1/11/19 - 31/10/24)	Since Commencement (4/3/19 - 31/10/24)
USD	7.64%	8.33%	13.87%	-27.42%	-27.91%	-22.17%
MYR	2.62%	-0.64%	4.63%	-23.25%	-24.54%	-19.64%
AUD Hedged	7.17%	7.32%	12.02%	-30.97%	-32.37%	-29.38%
MYR Hedged	7.23%	7.28%	11.28%	-31.18%	-31.00%	-31.40%
SGD Hedged	7.21%	7.32%	11.63%	-30.37%	-32.80%	-29.54%

Figure 1: Movement of the Fund since commencement.



*"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."*

**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 2024
	(%)
Unit Trust	98.96
Derivative	-0.99
Cash & money market	2.03
Total	100.00

## **Income Distribution Breakdown**

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2024-10-22	0.1400	100	-	-
	2024-09-23	0.1200	100	-	-
	2024-08-22	0.1300	100	-	-
	2023-10-18	0.1560	100	-	-
	2023-09-20	0.1490	100	-	-
	2023-08-17	0.1660	100	-	-
	2022-10-19	0.1700	100	-	-
	2022-09-21	0.1500	100	-	-
	2022-08-17	0.1900	100	-	-
	MYR- Hedged	2024-10-22	0.1220	100	-
2024-09-23		0.1100	100	-	-
2024-08-22		0.1100	100	-	-
2023-10-18		0.1290	100	-	-
2023-09-20		0.1230	100	-	-
2023-08-17		0.1420	100	-	-
2022-10-19		0.1400	100	-	-
2022-09-21		0.1400	100	-	-
2022-08-17		0.1700	100	-	-
SGD-Hedged		2024-10-22	0.1250	100	-
	2024-09-23	0.1100	100	-	-
	2024-08-22	0.1100	100	-	-
	2023-10-18	0.1290	100	-	-
	2023-09-20	0.1240	100	-	-
	2023-08-17	0.1450	100	-	-
	2022-10-19	0.1400	100	-	-
	2022-09-21	0.1400	100	-	-
	2022-08-17	0.1600	100	-	-
	USD	2024-10-22	0.1340	100	-
2024-09-23		0.1300	100	-	-
2024-08-22		0.1200	100	-	-
2023-10-18		0.1380	100	-	-
2023-09-20		0.1300	100	-	-
2023-08-17		0.1500	100	-	-

	2022-10-19	0.1500	100	-	-
	2022-09-21	0.1400	100	-	-
	2022-08-17	0.1900	100	-	-
AUD-Hedged	2024-10-22	0.1250	100	-	-
	2024-09-23	0.1100	100	-	-
	2024-08-22	0.1200	100	-	-
	2023-10-18	0.1330	100	-	-
	2023-09-20	0.1240	100	-	-
	2023-08-17	0.1460	100	-	-
	2022-10-19	0.1500	100	-	-
	2022-09-21	0.1400	100	-	-
	2022-08-17	0.1700	100	-	-

### **Strategies Employed**

The Target Fund is a multi-asset portfolio that invests primarily in Chinese shares and bonds and employs an active asset allocation. Active asset allocation improves portfolio diversification and can provide better risk-adjusted returns over a cycle with smoother drawdowns in tail-events. They seek to add value by actively managing the fund's asset allocation, i.e. the allocation to various asset classes is not static. They believe that active asset allocation can serve as an additional diversifier to help deliver a strong risk-adjusted return, as well as dynamic de-risking.

### **Market Review**

US equities were muted last week, with the S&P 500 index slipping 1.0% as investors largely stayed on the sidelines, awaiting clarity on the upcoming presidential election. Betting markets now reflect an increased likelihood of a Trump victory and a Republican sweep of the Congress and Senate, potentially paving the way for more reflationary policies and higher fiscal spending.

It was a relatively quiet week for macro data, but some indicators showed resilience. The US Composite PMI came in stronger than anticipated, rising to 54.3 in October from a final 54.0 in September. Additionally, consumer sentiment reached a 6-month high, where the University of Michigan's final October sentiment index rose to 70.5, up slightly from 70.1 in September, and beating the preliminary 68.9 reading. These factors contributed to continued selling pressure in US Treasuries, with the 10-year yield opening at approximately 4.27% this week. Looking ahead, market attention remains focused on the upcoming US election results in early November, the upcoming Fed's meeting, as well as the latest Nonfarm Payroll (NFP) report due this week.

In the event of a Trump victory, we anticipate further selling pressure on Treasuries, though not to the same degree as seen during the US Presidential Election in 2016, when Trump beat Hillary Clinton. Back then, the US 10-Year Treasury yield rose by around 85 bps. In contrast, the current bond market has partially priced-in the potential for a Trump win, with yields already up by 67 bps from recent lows. On the contrary, in the event of Harris's victory, some retracement in selloff in yields are expected. In other monetary policy developments, last week also saw rate cuts by the People's Bank of China (PBOC) and the Bank of Canada, each reducing rates by 50 bps, aligning with market expectations.

Meanwhile, Japan's ruling Liberal Democratic Party (LDP) lost its majority, resulting in significant yen weakness due to heightened policy uncertainty. The Japanese equity market, however, saw positive momentum, as a weaker yen supports Japan's export-oriented companies. On earnings, SK Hynix Inc., a South Korean memory chipmaker, reported record revenue and profit in Q3, driven by strong demand for high-bandwidth memory, a key component in AI-enabled servers. On portfolio positioning, we are maintaining cash levels between 5% and 12%. We recently added Meituan, a Chinese platform for locally-sourced consumer products and retail services, to increase our exposure to China's large-cap sector.

Primary property sales and manufacturing PMI post the first rebound in October after policy support this year. Amid the volatility intensified by golden week, disappointment on fiscal support, and anticipation of a

Red sweep, Chinese equities corrected from the unprecedented rally in September. The primary property sales in China recently turned positive YoY for the first time in a while, led by tier 1 cities where easing measures were announced. Magnitude was larger than other rebounds after policy supports this year but smaller than the post reopening surge. NBS and Caixin manufacturing PMI also rose above 50 for the first time since March. Sustainability of the rebound bears watching. In China, when the markets re-opened after “Golden week” holidays, equities corrected from the unprecedented rally in September. A meeting by the Chinese National Development and Reform Commission (NDRC) did not bring any new details on potential fiscal support, causing some disappointment among investors. China consumer spending over the “Golden Week holiday” was relatively subdued, underscoring the need for government stimulus. Tourism spending per capita was slightly below the pre-covid level, highlighting still weak domestic demand and continued consumption downgrading.

## **Investment Outlook**

The news conference held by the Ministry of Finance (MoF) was in line with expectations. While no specific details regarding the fiscal package or the consumption support reported by Reuters were provided, the upside lay in the forward guidance. The MoF emphasized several times that the final fiscal measures would be “relatively large,” with “quite large room to increase the deficit” and “the largest in recent years to support local government debt issuance.” Additionally, policymakers noted they were “studying other policy tools” in response to inquiries about the size of the package. This reaffirmed policymakers’ commitment to supporting the economy.

However, the National People’s Congress (NPC) confirmed that policymakers remain focused on delivering a stabilization package rather than a stimulus package, with their approach being more reactive than preemptive. Market reactions after the Red Sweep and the NPC meeting in early November were relatively muted, indicating that investors—particularly onshore investors—may have already adjusted their expectations and are now looking ahead to the December Central Economic Work Conference (CEWC).

The Red Sweep, associated with tax cuts and additional trade tariffs, introduced uncertainty around the timing and scale of these measures. Nevertheless, China’s fiscal capacity and increased spending provided hope that immediate policy support would smooth potential setbacks. The target fund manager maintained the view that China’s policymakers remain committed to mitigating downside risks to growth. While market positioning became cleaner following recent pullbacks, challenges with coordinating and executing fiscal measures over the near term were acknowledged. Additionally, the Red Sweep is expected to be a headwind to Chinese equities. In terms of cross-asset positioning, the target fund manager adopted a risk-on stance underpinned by the government’s policy pivot. Ahead of the MoF conference in mid-October, some equity exposures were trimmed for risk management purposes while maintaining a preference for equities over credit.

Within equities, the target fund manager initially favored offshore shares, which are more linked to global investment sentiment. However, following recent stimulus announcements, the target fund manager turned more positive toward onshore equities, which are expected to benefit from domestic tailwinds. In the lead-up to the U.S. elections, offshore broad-market exposure was reduced in favor of onshore thematic plays such as China Internet, brokers, high-dividend ex-banks, and diversified AI sectors, which are less impacted by geopolitical risks. The high-income theme was recalibrated, with partial allocations made to a Hong Kong Shareholder Return basket—one of the primary beneficiaries of SOE reforms and the government’s focus on enhancing shareholder returns. The AI basket was also adjusted to focus onshore and diversify across the supply chain, including core AI, manufacturing, software, and resources. Non-China exposures were closed, and allocations were shifted toward a balanced position between onshore and offshore equities.

Within fixed income, the target fund manager reduced overall credit exposure to fund increased allocations to China onshore investments while maintaining exposure to onshore rates for portfolio construction purposes. In foreign exchange, the target fund manager retained a short CNH/USD position to fully hedge onshore government bond exposure. Ahead of the U.S. elections, a short KRW position was initiated as an additional hedge. Additionally, the target fund manager increased the allocation to gold as part of the hedge bucket, alongside duration exposure, to account for potential geopolitical risk escalation.

## AHAM WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2024

	Financial period ended <u>31.10.2024</u> USD	Financial period ended <u>31.10.2023</u> USD
<b>INVESTMENT INCOME/(LOSS)</b>		
Dividend income	603,038	873,508
Interest income from financial assets at amortised cost	405	653
Net (loss)/gain on foreign currency exchange	(5,302)	2,670
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	732,001	(1,561,638)
Net gain/(loss) on financial assets at fair value through profit or loss	1,267,684	(3,880,837)
	<u>2,597,826</u>	<u>(4,565,644)</u>
<b>EXPENSES</b>		
Management fee	(185,964)	(267,355)
Trustee fee	(6,203)	(8,916)
Fund accounting fee	(1,560)	(1,502)
Auditors' remuneration	(916)	(889)
Tax agent's fee	(401)	(389)
Other expenses	(4,283)	(3,893)
	<u>(199,327)</u>	<u>(282,944)</u>
<b>NET PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION</b>	2,398,499	(4,848,588)
<b>FINANCE COST</b>		
Distributions	(572,763)	(861,122)
<b>NET PORFIT/(LOSS) BEFORE TAXATION</b>	1,825,736	(5,709,710)
Taxation	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	<u>1,825,736</u>	<u>(5,709,710)</u>
Increase/(decrease) in net asset attributable to unit holders is made up of the following:		
Realised amount	(3,002,895)	(6,438,444)
Unrealised amount	4,828,631	728,734
	<u>1,825,736</u>	<u>(5,709,710)</u>



## AHAM WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024

	<u>2024</u> USD	<u>2023</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	424,478	1,233,392
Amount due from Manager - management fee rebate receivable	24,130	31,102
Financial assets at fair value through profit or loss	19,314,057	24,731,977
Forward foreign currency contracts at fair value through profit or loss	142,196	1,802
Tax recoverable	17,044	14,769
<b>TOTAL ASSETS</b>	<u>19,921,905</u>	<u>26,013,042</u>
<b>LIABILITIES</b>		
Forward foreign currency contracts at fair value through profit or loss	334,752	735,361
Amount due to Manager - management fee	31,111	39,291
- cancellation of units	35,235	192,483
Amount due to Trustee	1,037	1,310
Fund accounting fee	267	245
Auditors' remuneration	942	758
Tax agent's fee	1,202	1,113
Other payables and accruals	366	222
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNIT HOLDERS)</b>	<u>404,912</u>	<u>970,783</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>19,516,993</u>	<u>25,042,259</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	<u>19,516,993</u>	<u>25,042,259</u>

## AHAM WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024 (CONTINUED)

	<u>2024</u> USD	<u>2023</u> USD
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- AUD Hedged-class	2,778,756	3,648,869
- MYR class	2,377,937	3,211,892
- MYR Hedged-class	9,896,751	13,087,454
- SGD Hedged-class	1,755,036	2,024,700
- USD class	2,708,513	3,069,344
	<u>19,516,993</u>	<u>25,042,259</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- AUD Hedged-class	15,483,000	22,184,000
- MYR class	33,857,000	49,111,000
- MYR Hedged-class	163,823,000	247,110,000
- SGD Hedged-class	8,603,000	10,791,000
- USD class	9,272,000	11,284,000
	<u>231,038,000</u>	<u>340,480,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- AUD Hedged-class	0.1795	0.1645
- MYR class	0.0702	0.0654
- MYR Hedged-class	0.0604	0.0530
- SGD Hedged-class	0.2040	0.1876
- USD class	0.2921	0.2720
	<u>0.2921</u>	<u>0.2720</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD Hedged-class	AUD0.2729	AUD0.2583
- MYR class	RM0.3073	RM0.3114
- MYR Hedged-class	RM0.2643	RM0.2522
- SGD Hedged-class	SGD0.2699	SGD0.2561
- USD class	USD0.2921	USD0.2720
	<u>USD0.2921</u>	<u>USD0.2720</u>

## AHAM WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

### UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2024

	Financial period ended <u>31.10.2024</u> USD	Financial period ended <u>31.10.2023</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	21,625,962	33,831,705
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	321,064	164,734
- AUD Hedged-class	194	69,872
- MYR Class	32,123	43,457
- MYR Hedged-class	70,344	27,150
- SGD Hedged-class	101,186	19,040
- USD Class	117,217	5,215
Creation of units arising from distributions	567,617	855,185
- AUD Hedged-class	86,048	127,280
- MYR Class	67,929	102,492
- MYR Hedged-class	290,247	459,406
- SGD Hedged-class	48,765	63,875
- USD Class	74,628	102,132
Cancellation of units	(4,823,386)	(4,099,655)
- AUD Hedged-class	(847,908)	(536,432)
- MYR Class	(632,118)	(392,399)
- MYR Hedged-class	(2,651,129)	(2,730,639)
- SGD Hedged-class	(369,396)	(53,113)
- USD Class	(322,835)	(387,072)
Increase/(decrease) in net assets attributable to unit holders during the financial period	1,825,736	(5,709,710)
- AUD Hedged-class	150,712	(784,138)
- MYR Class	120,476	(509,625)
- MYR Hedged-class	1,283,640	(3,547,468)
- SGD Hedged-class	127,324	(374,005)
- USD Class	143,584	(494,474)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>19,516,993</u>	<u>25,042,259</u>

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