



QUARTERLY REPORT
31 October 2024

AHAM Malaysia Government Bond Fund

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
Deutsche Trustees Malaysia Berhad
200701005591 (763590-H)

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AHAM MALAYSIA GOVERNMENT BOND FUND

Quarterly Report and Financial Statements As at 31 October 2024

Contents	Page
QUARTERLY REPORT	2
STATEMENT OF COMPREHENSIVE INCOME	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENTS OF CHANGES IN EQUITY	7

QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Malaysia Government Bond Fund
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide investors with income over a medium to long-term investment horizon
Benchmark	12-month fixed deposit rate quoted by Maybank
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on a semi-annual basis

FUND PERFORMANCE DATA

Category	As at 31 Oct 2024	As at 31 Jul 2024
Total NAV (RM'million)	64.132	58.571
NAV per Unit (RM)	1.0861	1.0874
Unit in Circulation (million)	59.046	53.862

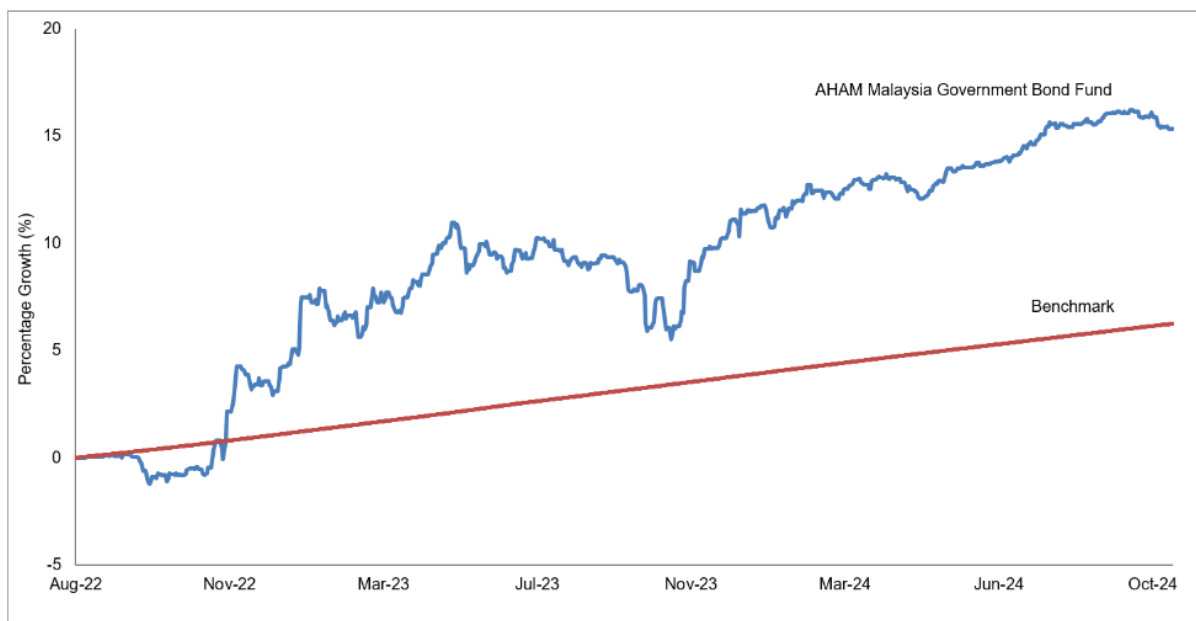
Fund Performance

Table 1: Performance as at 31 October 2024

	3 Months (1/8/24 - 31/10/24)	6 Months (1/5/24 - 31/10/24)	1 Year (1/11/23 - 31/10/24)	Since Commencement (4/8/22 - 31/10/24)
Fund	(0.10%)	2.81%	7.99%	15.35%
Benchmark	0.64%	1.29%	2.67%	6.25%
Outperformance	(0.74%)	1.52%	5.32%	9.10%

Source of Benchmark: Bloomberg

Figure 1: 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: 12-month fixed deposit rate quoted by Maybank

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
	(%)
Fixed Income	88.62
Cash & money market	11.38
Total	100.00

Income Distribution Breakdown

No distribution was declared by the Fund over the financial period under review.

Strategies Employed

Over the period under review, the Fund invested mainly in Malaysia Government Securities, Government Investment Issues and/or bonds that are issued directly by Government of Malaysia with more than 10 years remaining to maturity at the point of purchase of such bonds. The portfolio duration is actively managed based on macroeconomic conditions, market trends, and available investment opportunities.

Market Review

At the beginning of the financial period under review, global fixed income market benefitted from heightened anticipation of monetary policy easing from the US Federal Reserve. US inflation has eased despite sticky core components, while unemployment rate crept higher which raised concerns over moderating growth. In the month of September, the US Federal Reserve finally delivered 50 basis points of policy rate cut to 4.75-5.00%. However, front-loaded positioning from investors limited further downside in US Treasury yields. Market traded sideways in a cautious tone, ahead of the US presidential election in November.

Domestically, ample domestic demand for duration anchored the ultra-long end of the yield curve. Demand for yield spilled over into the corporate bond space, which tightened credit spreads. In addition, Malaysia's growth momentum and benign inflation continued to attract foreign investors, which spurred a sharp rally in Ringgit versus the US Dollar. However, unwinding of swap positions limited the accumulation of international reserves. Foreign investors were quick to unwind Ringgit gains which saw Ringgit retraced towards the end of the financial period under review. During the financial period under review, Ringgit ended the month 5% stronger at 4.378 versus the US Dollar. Malaysia's fixed income market also traded sideways toward the end of financial period under review, ahead of risk events.

Investment Outlook

Trump win plus republican sweep has raised inflation expectations in the US. We expect a higher neutral rate in the US going forward, in conjunction with a robust growth outlook. Nonetheless, most central banks in developed economies are still on monetary easing path. Headline CPI for these countries/regions are moderating, which provides room for further policy rate cuts.

Despite external uncertainties, fundamentals in Malaysia are still supported by robust growth outlook, benign inflation, and political stability. Despite subsidy rationalization, growth priorities should keep Overnight Policy Rate stable at 3.00% as we enter 2025. In the near term, this expectation should keep the domestic fixed income market supported.

With rationale above in mind, the Manager may maintain a slight overweight in portfolio duration but mindful of entry level. On going optimism is still subjected to key risks, such as (1) inflationary pressures both globally and domestically, (2) policy and political uncertainties arising from incoming US President, and (3) geopolitical tensions.

AHAM MALAYSIA GOVERNMENT BOND FUND

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

	Financial period ended <u>31.10.2024</u> RM	Financial period ended <u>31.10.2023</u> RM
INVESTMENT INCOME/(LOSS)		
Interest income from financial asset at amortised cost	119,556	89,142
Interest income from financial asset at fair value through profit or loss	1,693,470	1,268,265
Net loss on financial assets fair value through profit or loss	(149,928)	(1,443,326)
	<u>1,663,098</u>	<u>(85,919)</u>
EXPENSES		
Management fee	(88,441)	(65,457)
Trustee fee	(13,280)	(9,779)
Fund accounting fee	(9,000)	(10,000)
Auditors' remuneration	(5,991)	(5,982)
Tax agent's fee	(2,621)	(2,617)
Other expenses	(1,497)	(1,211)
	<u>(120,830)</u>	<u>(94,046)</u>
NET PROFIT/(LOSS) BEFORE TAXATION	1,542,268	(179,965)
Taxation	-	-
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD	<u>1,542,268</u>	<u>(179,965)</u>
Net profit/(loss) after taxation is made up of the following:		
Realised amount	1,675,928	1,498,120
Unrealised amount	(133,660)	(1,678,085)
	<u>1,542,268</u>	<u>(179,965)</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	6,563,610	2,907,542
Financial assets at fair value through profit or loss	57,601,419	42,469,603
TOTAL ASSETS	<u>64,165,029</u>	<u>45,377,145</u>
LIABILITIES		
Amount due to Manager - management fee	10,658	7,697
Amount due to Trustee	1,599	1,155
Fund accounting fee	1,000	1,000
Auditors' remuneration	5,991	5,982
Tax agent's fee	6,121	6,118
Other payables and accruals	291	482
TOTAL LIABILITIES	<u>25,660</u>	<u>22,434</u>
NET ASSET VALUE OF THE FUND	<u>64,139,369</u>	<u>45,354,711</u>
EQUITY		
Unit holders' capital	60,942,663	43,042,689
Retained earnings	3,196,706	2,312,022
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>64,139,369</u>	<u>45,354,711</u>
NUMBER OF UNITS IN CIRCULATION	<u>59,046,000</u>	<u>42,590,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>1.0863</u>	<u>1.0649</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2024

	Unit holders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 February 2024	53,459,843	2,855,726	56,315,569
Total comprehensive income for the financial period	-	1,542,268	1,542,268
Distributions	-	(1,201,288)	(1,201,288)
Movement in unit holders' capital:			
Creation of units arising from applications	9,671,178	-	9,671,178
Creation of units arising from distributions	519,949	-	519,949
Cancellation of units	(2,708,307)	-	(2,708,307)
Balance as at 31 October 2024	<u>60,942,663</u>	<u>3,196,706</u>	<u>64,139,369</u>
Balance as at 1 February 2023	36,369,210	2,628,690	38,997,900
Total comprehensive loss for the financial period	-	(179,965)	(179,965)
Distributions	-	(136,703)	(136,703)
Movement in unit holders' capital:			
Creation of units arising from applications	12,632,597	-	12,632,597
Creation of units arising from distributions	45,633	-	45,633
Cancellation of units	(6,004,751)	-	(6,004,751)
Balance as at 31 October 2023	<u>43,042,689</u>	<u>2,312,022</u>	<u>45,354,711</u>

AHAM Asset Management Berhad

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