



QUARTERLY REPORT
31 October 2024

AHAM Single Bond Series 5

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee
Berhad (313031-A)

Built On Trust

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AHAM SINGLE BOND SERIES 5

Quarterly Report and Financial Statements As at 31 October 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Single Bond Series 5
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 2024	As at 31 Jul 2024
Total NAV (USD'million)	30.691	33.371
NAV per Unit (USD)	0.9963	0.9764
Unit in Circulation (million)	30.804	34.177

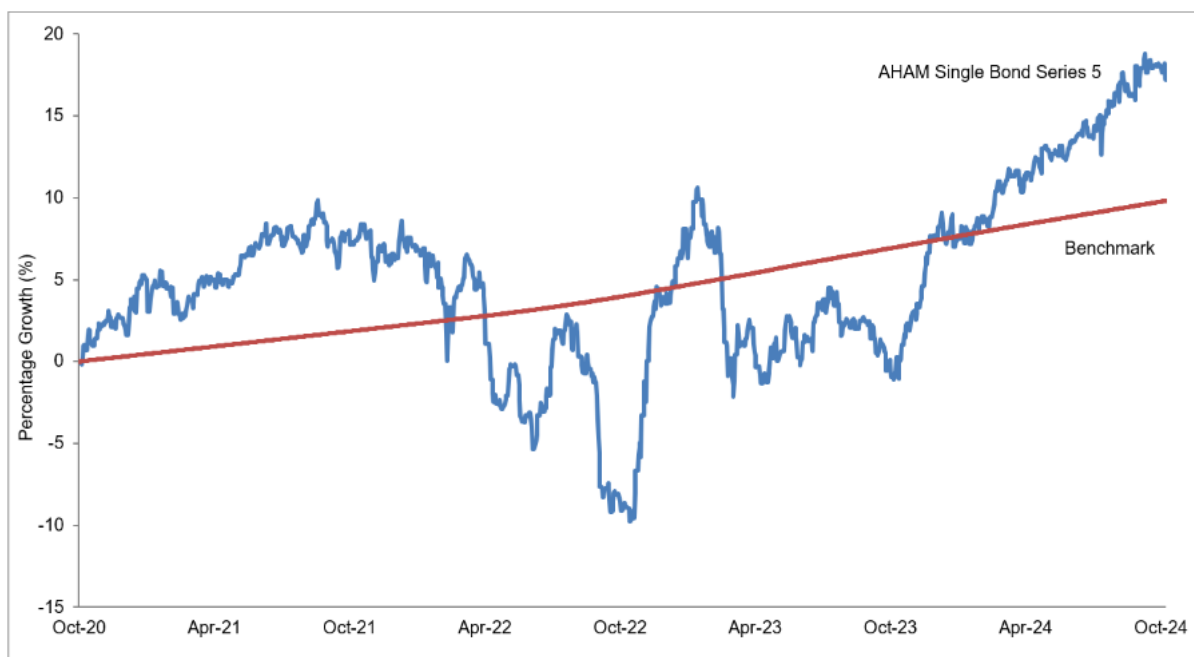
Fund Performance

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)	3 Years (1/11/21 - 31/10/24)	Since Commencement (30/10/20 - 31/10/24)
Fund	2.06%	5.18%	18.40%	9.37%	17.23%
Benchmark	0.64%	1.29%	2.67%	7.81%	9.81%
Outperformance	1.42%	3.89%	15.73%	1.56%	7.42%

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 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 2024
	(%)
Fixed Income	93.51
Derivatives	-0.50
Cash & money market	6.99
Total	100.00

Income Distribution Breakdown

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

Strategies Employed

The Fund's investment would solely consist of a bond (including hybrid security such as an Additional Tier 1 security). The Fund will remain invested while leaving slight cash buffers to meet any potential repurchase requirement.

Market Review

Over the three-month period ending October 2024, the Federal Reserve began interest rate cycle after keeping interest rate at 5.5% for 14 months, bringing the Fed Fund Rate to 5%. The Fed's statement highlighted that labor market conditions were generally improving and inflation, while still somewhat elevated, was slowing down. The central bank indicated it would continue its quantitative tightening at the same pace, maintaining a cautious stance towards further rate adjustments. Other central banks have also adjusted their policies in response to global economic conditions. For instance, the Bank of England and European Central Bank have reduced interest rates by 25bps and 75bps, respectively. During the quarter, we saw significant movement in US Treasury yields as initial rally due to weak economic data was offset by rising term premium with expectation of Trump victory in the US Presidential race. US Treasury 10 year yield traded in a range of 3.6-4.2%. Asia credit performance remains robust as credit spreads continue to tighten amid rising risk-free yields. Technical is supportive as well with investors looking to lock in high quality bonds as yields rise.

Within the European banking space, results released by major financial institutions were overall decent underpinned by higher base of net interest income, cost discipline and low provision costs. Importantly, the fundamentals global banks continued to show they have overall higher than pre-pandemic capital ratios while maintaining good liquidity metrics. Investors sentiment have overall been good this year in fixed income securities such as additional tier 1 securities and this has translated to improving bond prices.

Investment Outlook

The outlook for global government bonds over the next 12 months is shaped by anticipated shifts in monetary policy and macroeconomic conditions. As central banks, particularly Fed, signal potential interest rate cuts in response to economic uncertainties, government bonds may benefit from increased demand. Lower interest rates typically lead to higher bond prices, providing opportunities for capital gains for investors holding longer-duration bonds. Furthermore, with yields on government bonds remaining relatively attractive compared to historical standards, they are likely to attract risk-averse investors seeking stability amidst market volatility. However, the pace of economic recovery and inflation dynamics will be critical factors influencing bond performance, as unexpected inflation could erode real returns.

In terms of risks and opportunities in bond investments, several factors must be considered. Interest rate risk remains a significant concern, as rising rates can lead to declining bond prices, particularly for long-duration securities. On the positive note, we view that interest rates are more likely to be cut over the next twelve months, which will be supportive of bond prices. Inflation has moderated but the risk remains as it can erode the purchasing power of fixed income returns, making it crucial for investors to assess the real yield of their bond holdings. On the opportunity side, the current environment allows for active management strategies, where investors can capitalize on mispriced securities through diligent credit analysis and duration management. Moreover, the growing emphasis on ESG factors presents a dual opportunity to enhance returns while contributing to sustainable practices, particularly in the corporate bond space. Thus, while risks persist, the potential for attractive returns through strategic investment choices remains robust.

As for the underlying issuer, HSBC Holdings PLC has demonstrated overall resilient performance when measured in terms of its earnings, capital and balance sheet metrics. We expect global growth to be more moderate in the nearer term, which may translate to some normalization of earnings and credit costs. That said, there is sizable earnings and capital buffer to cushion against potential slowdown in global economic growth. Since the acquisition of Credit Suisse by UBS in 2023, major financial institutions particularly in Europe have continued to call their AT1 issuances on their first call dates. This reflects strong capital buffers, financial flexibility and investor-friendly stance, even amidst economic and financial market uncertainties. This show of commitment, particularly in a high-interest rate landscape, bolstered investor confidence.

AHAM SINGLE BOND SERIES 5

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 assets at amortised cost	27,420	187,529
Interest income from financial assets at fair value through profit or loss	2,060,236	2,420,705
Net loss on foreign currency exchange	(1,315,529)	(1,957,630)
Net gain/(loss) on currency swap at fair value through profit or loss	3,905,475	(6,031,975)
Net loss on financial asset at fair value through profit or loss	(1,457,079)	(161,958)
	<u>3,220,523</u>	<u>(5,543,329)</u>
EXPENSES		
Management fee	(135,851)	(206,003)
Trustee's fee	(10,895)	(16,642)
Fund accounting fee	(9,000)	(10,000)
Auditors' remuneration	(6,157)	(6,222)
Tax agent's fee	(2,694)	(2,722)
Other expenses	(10,010)	(14,304)
	<u>(174,607)</u>	<u>(255,893)</u>
NET PROFIT/(LOSS) BEFORE TAXATION	3,045,916	(5,799,222)
Taxation	-	(684,285)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD	<u>3,045,916</u>	<u>(6,483,507)</u>
Net profit/(loss) after taxation is made up of the following:		
Realised amount	740,531	(681,009)
Unrealised amount	2,305,385	(5,802,498)
	<u>3,045,916</u>	<u>(6,483,507)</u>

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	1,126,718	6,633,364
Currency swap at fair value through profit or loss	484,268	-
Financial assets at fair value through profit or loss	29,470,305	41,052,510
Tax recoverable	232,897	-
TOTAL ASSETS	<u>31,314,188</u>	<u>47,685,874</u>
LIABILITIES		
Currency swap at fair value through profit or loss	588,401	3,533,085
Amount due to Manager		
- management fee	13,196	19,149
- cancellation of units	-	8,890
Amount due to Trustee	1,056	1,532
Fund accounting fee	1,000	1,000
Auditors' remuneration	6,157	6,222
Tax agent's fee	6,193	6,222
Tax provision	-	208,120
Other payables and accruals	872	2,736
TOTAL LIABILITIES	<u>616,875</u>	<u>3,786,956</u>
NET ASSET VALUE OF THE FUND	<u>30,697,313</u>	<u>43,898,918</u>
EQUITY		
Unitholders' capital	30,852,107	49,006,457
Accumulated losses	(154,794)	(5,107,539)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>30,697,313</u>	<u>43,898,918</u>
NUMBER OF UNITS IN CIRCULATION	<u>30,804,000</u>	<u>49,801,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>0.9965</u>	<u>0.8815</u>

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

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 February 2024	43,818,546	(2,238,001)	41,580,545
Total comprehensive income for the financial period	-	3,045,916	3,045,916
Distributions	-	(962,709)	(962,709)
Movement in unitholders' capital:			
Creation of units arising from applications	694	-	694
Creation of units arising from distributions	76,645	-	76,645
Cancellation of units	(13,043,778)	-	(13,043,778)
Balance as at 31 October 2024	<u>30,852,107</u>	<u>(154,794)</u>	<u>30,697,313</u>
Balance as at 1 February 2023	91,714,272	2,250,965	93,965,237
Total comprehensive loss for the financial period	-	(6,483,507)	(6,483,507)
Distributions	-	(874,997)	(874,997)
Movement in unitholders' capital:			
Creation of units arising from distributions	82,459	-	82,459
Cancellation of units	(42,790,274)	-	(42,790,274)
Balance as at 31 October 2023	<u>49,006,457</u>	<u>(5,107,539)</u>	<u>43,898,918</u>

AHAM 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

aham.com.my