

QUARTERLY REPORT
31 December 2023

**AHAM World Series -
European
Unconstrained Fund**
(Formerly known as
Affin Hwang
World Series -
European
Unconstrained Fund)

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AHAM World Series - European Unconstrained Fund (Formerly known as Affin Hwang World Series - European Unconstrained Fund)

Quarterly Report and Financial Statements
As at 31 December 2023

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – European Unconstrained Fund (Formerly known as Affin Hwang World Series – European Unconstrained Fund)
Fund Type	Growth
Fund Category	Equity feeder (wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long-term period through investments in European equities.
Benchmark	MSCI Europe Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever appropriate.

FUND PERFORMANCE DATA

EUR Class

Category	As at 31 Dec 2023	As at 30 Sep 2023
Total NAV (EUR'million)	0.408	0.410
NAV per Unit (EUR)	0.6070	0.5970
Unit in Circulation (million)	0.672	0.687

AUD Hedged-class

Category	As at 31 Dec 2023	As at 30 Sep 2023
Total NAV (AUD'million)	0.590	0.650
NAV per Unit (AUD)	0.6702	0.6589
Unit in Circulation (million)	0.880	0.987

MYR Hedged-class

Category	As at 31 Dec 2023	As at 30 Sep 2023
Total NAV (RM'million)	11.600	12.159
NAV per Unit (RM)	0.7464	0.7363
Unit in Circulation (million)	15.541	16.513

SGD Hedged-class

Category	As at 31 Dec 2023	As at 30 Sep 2023
Total NAV (SGD'million)	0.293	0.308
NAV per Unit (SGD)	0.7021	0.6908
Unit in Circulation (million)	0.417	0.446

USD Hedged-class

Category	As at 31 Dec 2023	As at 30 Sep 2023
Total NAV (USD'million)	0.177	0.180
NAV per Unit (USD)	0.7611	0.7451
Unit in Circulation (million)	0.232	0.241

Income Distribution Breakdown

No income distribution was declared over the financial period under review.

Fund Performance

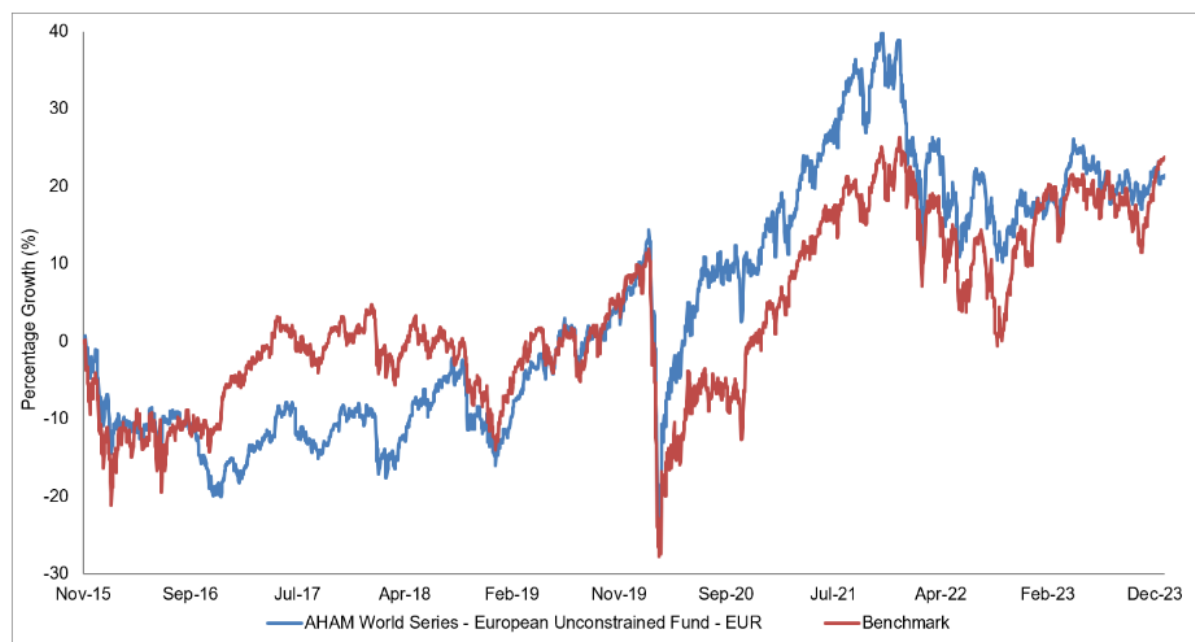
Performance as at 31 December 2023

EUR Class

	3 Months (1/10/23 - 31/12/23)	6 Months (1/7/23 - 31/12/23)	1 Year (1/1/23 - 31/12/23)	3 Years (1/1/21 - 31/12/23)	5 Years (1/1/19 - 31/12/23)	Since Commencement (27/11/15 - 31/12/23)
Fund	1.68%	(1.35%)	4.64%	7.02%	41.10%	21.40%
Benchmark	6.11%	3.47%	12.73%	21.60%	40.67%	23.78%
Outperformance	(4.43%)	(4.82%)	(8.09%)	(14.58%)	0.43%	(2.38%)

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark

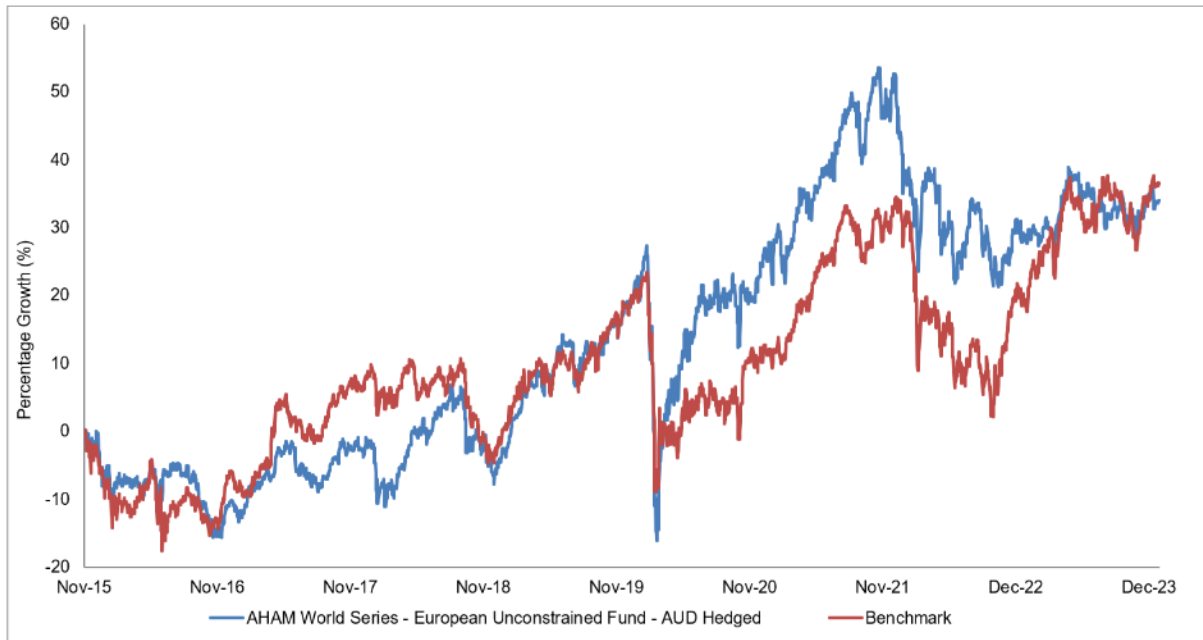


AUD Hedged-Class

	3 Months (1/10/23 - 31/12/23)	6 Months (1/7/23 - 31/12/23)	1 Year (1/1/23 - 31/12/23)	3 Years (1/1/21 - 31/12/23)	5 Years (1/1/19 - 31/12/23)	Since Commencement (27/11/15 - 31/12/23)
Fund	1.71%	(1.25%)	4.96%	7.84%	41.84%	34.04%
Benchmark	4.59%	2.31%	16.17%	23.89%	40.03%	36.60%
Outperformance	(2.88%)	(3.56%)	(11.21%)	(16.05%)	1.81%	(2.56%)

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



MYR Hedged-Class

	3 Months (1/10/23 - 31/12/23)	6 Months (1/7/23 - 31/12/23)	1 Year (1/1/23 - 31/12/23)	3 Years (1/1/21 - 31/12/23)	5 Years (1/1/19 - 31/12/23)	Since Commencement (27/11/15 - 31/12/23)
Fund	1.37%	(1.88%)	4.10%	11.09%	53.33%	49.28%
Benchmark	8.50%	3.17%	21.35%	25.65%	50.89%	40.37%
Outperformance	(7.13%)	(5.05%)	(17.25%)	(14.56%)	2.44%	8.91%

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark

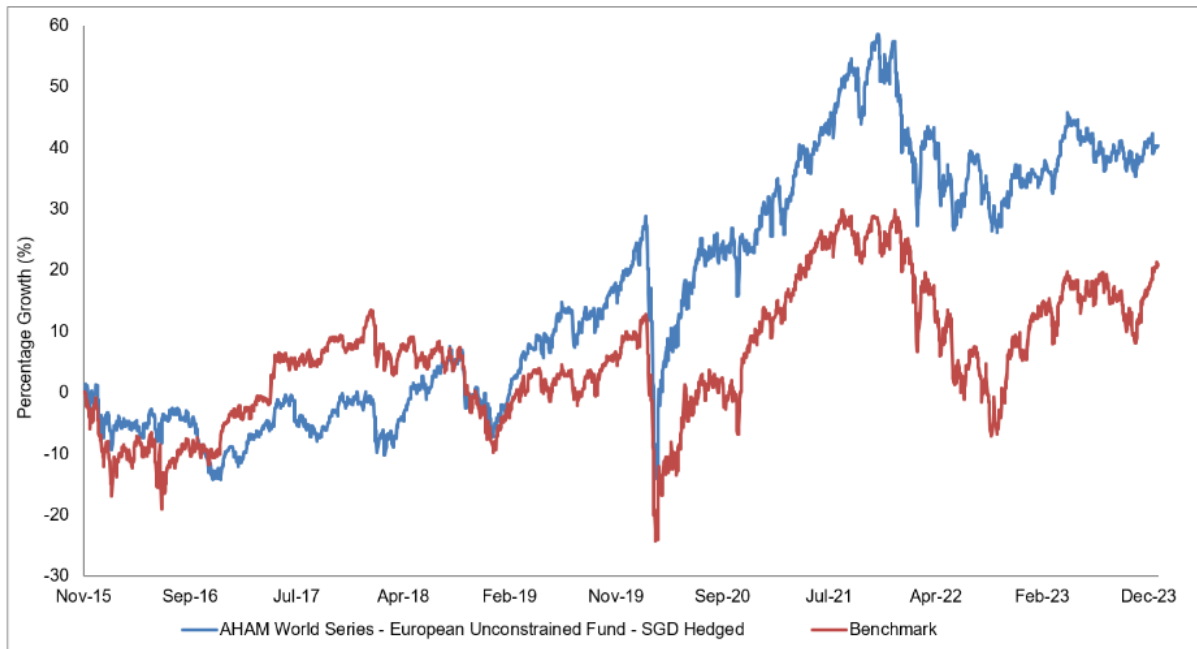


SGD Hedged-Class

	3 Months (1/10/23 - 31/12/23)	6 Months (1/7/23 - 31/12/23)	1 Year (1/1/23 - 31/12/23)	3 Years (1/1/21 - 31/12/23)	5 Years (1/1/19 - 31/12/23)	Since Commencement (27/11/15 - 31/12/23)
Fund	1.62%	(1.34%)	5.18%	10.48%	47.81%	40.42%
Benchmark	7.17%	2.31%	14.70%	9.87%	31.51%	20.91%
Outperformance	(5.55%)	(3.65%)	(9.52%)	0.61%	16.30%	19.51%

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark

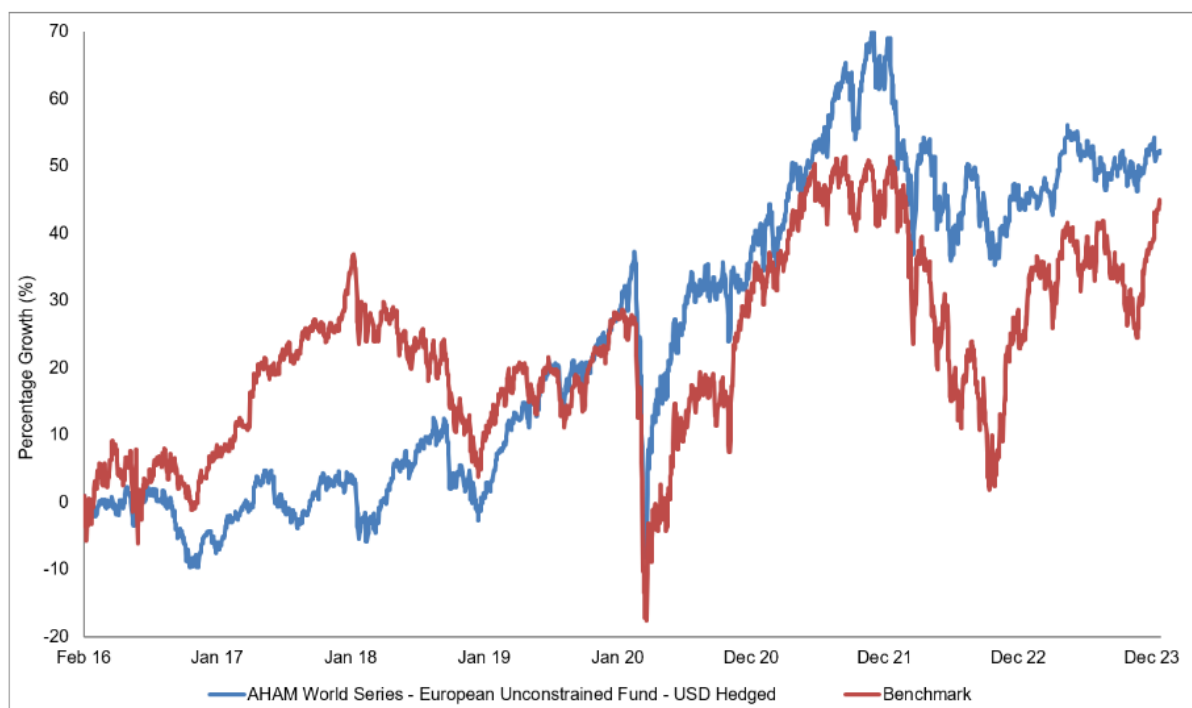


USD Hedged-Class

	3 Months (1/10/23 - 31/12/23)	6 Months (1/7/23 - 31/12/23)	1 Year (1/1/23 - 31/12/23)	3 Years (1/1/21 - 31/12/23)	5 Years (1/1/19 - 31/12/23)	Since Commencement (3/2/16 - 31/12/23)
Fund	2.15%	(0.42%)	6.06%	10.69%	52.74%	52.22%
Benchmark	10.99%	4.86%	16.44%	10.06%	35.90%	44.61%
Outperformance	(8.84%)	(5.28%)	(10.38%)	0.63%	16.84%	7.61%

Source of Benchmark: Bloomberg

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: MSCI Europe Index

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:

	<u>31 December 2023</u>
	(%)
Unit Trust	94.54
Derivative	-0.60
Cash & money market	6.06
Total	<u>100.00</u>

Strategies Employed

The strategy of the Target Fund underperformed the index in the fourth quarter. During the quarter, the Target Fund suffered most from negative stock selection in the financials and consumer discretionary sectors, while sector allocation effects within industrials and health care detracted. Within health care, our holding in Sanofi was a notable detractor as shares fell sharply after the company warned on their 2025 earnings margin guidance and stated that their 2024 EPS is now expected to decline in the low-single digits due to higher R&D spending and a higher tax rate.

UK consumer health firm Haleon was the largest detractor. On the other hand, the Target Fund benefitted from positive stock selection in consumer staples and communication services, while the sector allocation effects in utilities and energy also contributed positively. At the stock level, our holding in Greenergy Renovables added the most value, while not holding BP also contributed following the weaker oil price.

Market Review

Throughout the final quarter of 2023, global financial markets remained attentive to evolving economic conditions, particularly within the Eurozone, where signs of cooling inflation hinted at potential shifts in central bank policies. In October, economic data pointed to stalled growth in Europe, with the advance estimate for third-quarter GDP suggesting a modest contraction. Despite a robust labor market, consumer spending failed to gain traction, as retail sales unexpectedly fell. The European Central Bank (ECB) maintained its deposit rate at 4%, expressing growing confidence in the downtrend of inflation, which surprised to the downside at 2.9% year-on-year in October.

As November unfolded, concerns about the Eurozone's economic health persisted, with the preliminary estimate for third-quarter growth confirming a slight contraction. Although the labor market remained solid, weakness in industrial production and ongoing challenges in the manufacturing sector underscored underlying vulnerabilities. However, there were some positive indicators, such as the rise in the Eurozone manufacturing PMI to a six-month high and a decline in core inflation to 3.6% year-on-year in November.

In December, signs of cooling inflation provided a glimmer of hope for central banks, fueling strong gains in financial markets. The ECB kept its deposit rate unchanged at 4% but signaled optimism about progress in lowering inflation. Officials acknowledged concerns about the near-term inflation outlook and wage growth but emphasized their commitment to reinvesting proceeds from asset purchasing programs until mid-2024. Forecasts for both inflation and growth were revised downward, with the ECB expecting to reach its target of close-to-but-below 2% inflation by 2025.

Overall, the Eurozone's economic landscape in the final quarter of 2023 was characterized by a delicate balance between growth prospects, inflationary pressures, and central bank actions. While challenges persisted, particularly in the manufacturing sector, there were indications of resilience and cautious optimism, setting the stage for potential policy shifts in the year ahead. These developments reverberated across global financial markets, influencing investor sentiment and shaping market dynamics as the year drew to a close.

Investment Outlook

Much like 2022, 2023 turned out to be a difficult year for risk reward based stock picking and fundamental analysis, as narrative investing remained dominant. Disinflation, Fed rate policy and the growing visibility of generative artificial intelligence (AI) and GLP-1 were influential themes for the year. Rallies by several US megacap tech names were a big driver of overall equity market performance, and narrow market leadership dominated with the "Magnificent 7" gaining +107% in 2023.

Meanwhile, since the Fed pivot, the equity market became further risk-on and hard-landing fears gave way to a broader soft- or no-landing economic consensus. Post the 2023 year-end rally, equity markets have swung back to pricing in a certain soft landing, assuming rate cuts will save the day and provide valuation support. The Fed pivot is no surprise to the Target Fund Manager and comes remarkably late versus history, making it the first Fed to continue hiking after the peak in inflation. In addition, the general belief in a soft landing is historically common no matter if a soft landing occurred or a recession followed instead. The Target Fund Manager therefore thinks a soft landing is not the most likely outcome and backing a soft landing scenario not is a good risk reward proposition. Following very weak profit development in 2023, profits are forecast to grow above the historic average in 2024 on hopes of margin expansion. Following extraordinary pricing power in

2022, the overall margin levels are however already quite high. We still see risks in some sectors to hold on to the unusual high margin levels of 2022 and 2023. Some of these rosy expectations for 2024 have already been revised down and we expect further downgrades to follow.

AHAM WORLD SERIES - EUROPEAN UNCONSTRAINED FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND)

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

	Financial period ended <u>31.12.2023</u> EUR	Financial period ended <u>31.12.2022</u> EUR
INVESTMENT LOSS		
Interest income from financial assets at amortised cost	466	-
Net gain on foreign currency exchanges	1,515	1,829
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss	(162,598)	83,461
Net gain/(loss) on financial assets at fair value through profit or loss	101,428	(449,546)
	<u>(59,189)</u>	<u>(364,256)</u>
EXPENSES		
Management fee	(51,037)	(80,958)
Trustee fee	(1,701)	(2,700)
Auditors' remuneration	(1,254)	(1,053)
Other expenses	(1,467)	(3,135)
	<u>(55,459)</u>	<u>(87,846)</u>
NET LOSS BEFORE TAXATION	<u>(114,648)</u>	<u>(452,102)</u>
Taxation	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(114,648)</u>	<u>(452,102)</u>
Decrease in net asset attributable to unitholders is made up of the following:		
Realised amount	(127,756)	190,270
Unrealised amount	13,108	(642,372)
	<u>(114,648)</u>	<u>(452,102)</u>

AHAM WORLD SERIES - EUROPEAN UNCONSTRAINED FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	<u>2023</u> EUR	<u>2022</u> EUR
ASSETS		
Cash and cash equivalents	191,707	326,730
Amount due from broker	34,306	-
Amount due from Manager		
- creation of units	-	15,695
- management fee rebate receivable	4,549	6,414
Financial assets at fair value through profit or loss	3,232,334	4,550,533
Forward foreign currency contracts at fair value through profit or loss	9,331	1,880
TOTAL ASSETS	<u>3,472,227</u>	<u>4,901,252</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	29,816	79,949
Amount due to Manager		
- management fee	5,256	7,437
- cancellation of units	13,930	-
Amount due to Trustee	175	248
Auditors' remuneration	1,674	1,403
Tax agent's fee	-	951
Other payable and accruals	2,342	2,313
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>53,193</u>	<u>92,301</u>
NET ASSET VALUE OF THE FUND	<u>3,419,034</u>	<u>4,808,951</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>3,419,034</u>	<u>4,808,951</u>

AHAM WORLD SERIES - EUROPEAN UNCONSTRAINED FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONTINUED)

	<u>2023</u> EUR	<u>2022</u> EUR
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	363,194	722,720
- EUR Class	407,883	665,319
- MYR Hedged-class	2,287,500	2,832,405
- SGD Hedged-class	200,632	336,604
- USD Hedged-class	159,825	251,903
	<u>3,419,034</u>	<u>4,808,951</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	880,000	1,776,000
- EUR Class	672,000	1,147,000
- MYR Hedged-class	15,541,000	18,517,000
- SGD Hedged-class	417,000	721,000
- USD Hedged-class	232,000	374,000
	<u>17,742,000</u>	<u>22,535,000</u>
NET ASSET VALUE PER UNIT (EUR)		
- AUD Hedged-class	0.4127	0.4069
- EUR Class	0.6070	0.5801
- MYR Hedged-class	0.1472	0.1530
- SGD Hedged-class	0.4811	0.4669
- USD Hedged-class	0.6889	0.6735
	<u>0.6889</u>	<u>0.6735</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.6702	AUD0.6385
- EUR Class	EUR0.6070	EUR0.5801
- MYR Hedged-class	RM0.7464	RM0.7170
- SGD Hedged-class	SGD0.7021	SGD0.6675
- USD Hedged-class	USD0.7611	USD0.7176
	<u>USD0.7611</u>	<u>USD0.7176</u>

AHAM WORLD SERIES - EUROPEAN UNCONSTRAINED FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Financial period ended <u>31.12.2023</u> EUR	Financial period ended <u>31.12.2022</u> EUR
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF FINANCIAL PERIOD	4,322,077	7,331,118
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	138,037	215,695
- AUD Hedged-class	-	10,444
- EUR Class	-	49,670
- MYR Hedged-class	138,037	100,198
- SGD Hedged-class	-	15,576
- USD Hedged-class	-	39,807
Cancellation of units	(926,432)	(2,285,760)
- AUD Hedged-class	(249,433)	(554,759)
- EUR Class	(132,989)	(52,140)
- MYR Hedged-class	(426,552)	(1,092,940)
- SGD Hedged-class	(102,635)	(229,502)
- USD Hedged-class	(14,823)	(356,419)
Net decrease in net assets attributable to unitholders during the financial period	(114,648)	(452,102)
- AUD Hedged-class	7,851	(172,900)
- EUR Class	7,119	(50,652)
- MYR Hedged-class	(131,851)	(218,609)
- SGD Hedged-class	1,161	(6,934)
- USD Hedged-class	1,072	(3,007)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>3,419,034</u>	<u>4,808,951</u>

AHAM Asset Management Berhad

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