



QUARTERLY REPORT
31 May 2024

AHAM Single Bond Series 1

MANAGER
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TRUSTEE
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Built On Trust

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AHAM SINGLE BOND SERIES 1

Quarterly Report and Financial Statements As at 31 May 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Single Bond Series 1
Fund Type	Income
Fund Category	Bond (Wholesale)
Investment Objective	The Fund aims to provide regular income over the 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 May 2024	As at 29 Feb 2024
Total NAV (million)	91.737	94.739
NAV per Unit (MYR)	0.8998	0.8937
Unit in Circulation (million)	101.958	106.012

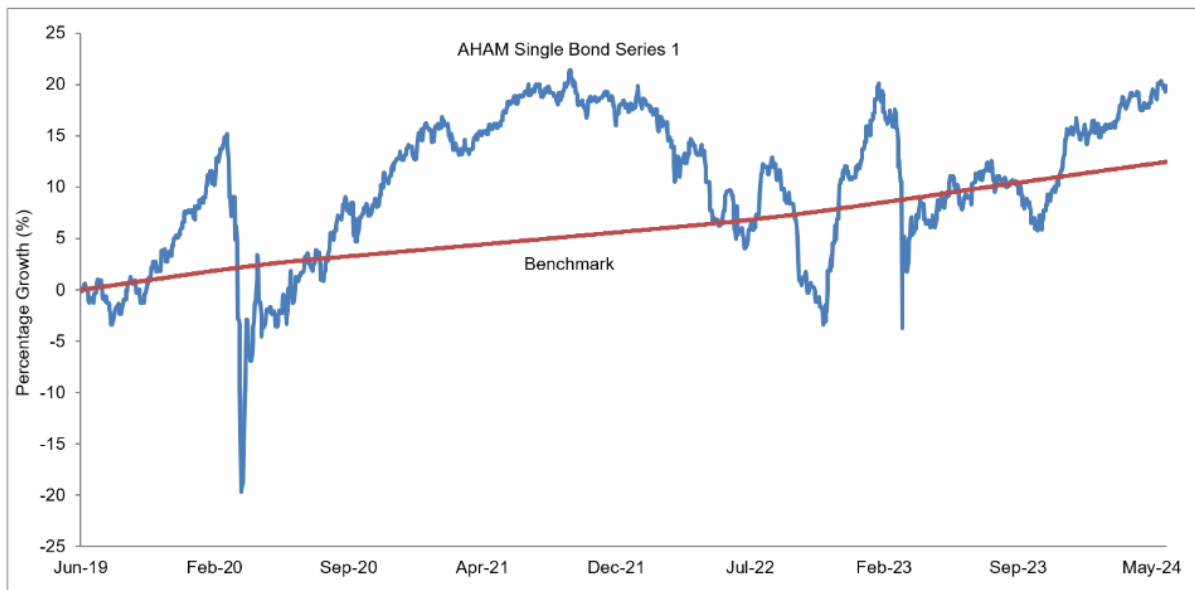
Fund Performance

Performance as at 31 May 2024

	3 Months (1/3/24 - 31/5/24)	6 Months (1/12/23 - 31/5/24)	1 Year (1/6/23 - 31/5/24)	3 Years (1/6/21 - 31/5/24)	Since Commencement (28/6/19 - 31/5/24)
Fund	3.51%	9.07%	10.01%	2.16%	19.83%
Benchmark	0.66%	1.35%	2.79%	7.49%	12.46%
Outperformance	2.85%	7.72%	7.22%	(5.33%)	7.37%

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: 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 May 2024
	(%)
Fixed Income	97.01
Derivative	-0.88
Cash & money market	3.87
Total	100.00

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR-Hedged	1-Apr-24	2.5100	100.00	0.00	0.00

Strategies Employed

The Fund invests solely into a single bond paper and aims to provide regular income over the medium to long term period.

Market Review

In March 2024, government bond yields in major markets such as the US, the UK, and the eurozone fell, with US 10 year yields 6 basis points ("bps") lower, German 10 year yields 11bps lower and Australian 10 year

yields outperforming declining 17bps. Japanese bond yield rose modestly and mostly for shorter maturities as the Bank of Japan raised rates, ending negative interest rates. The US Federal Reserve is still expected to cut rates, despite a buoyant economy, but rates market have reduced the total size of rate cuts to be in line with Fed projections. The European Central Bank (“ECB”) is expected to start cutting rates in June as inflation trajectory for the Eurozone economy remains on target. Corporate bonds outperformed government bonds, driven by strong activity data and narrowing corporate margins. Credit spreads tightened due to robust investor demand, with US and European investment grade spreads reaching a two-year low.

Bond yields moved higher across most developed markets in April 2024, most notably in Australia and the US. Australian 10 year bond yields increased by 0.46% in April to finish the month at 4.42%, while in the US, the 10 year bond yield increased by almost 0.5%, finishing the month at 4.68%. Bond yields also moved higher in both Germany and Japan. Within credit, spreads widened intra-month, but ended April broadly flat in both investment grade and high yield. Emerging market debt spreads moved moderately wider during April.

Data showed that eurozone annual inflation, as measured by the consumer price index, increased to 2.6% in May from 2.4% in April. Nevertheless, investors continued to expect a 25bps rate cut when the ECB meets on 6 June. However, the timing of further rate cuts remains uncertain. Government bond markets diverged in May. US Treasury yields fell from their year-to-date highs, outperforming European markets where yields crept higher. Positive inflation data, signs of weaker growth, and softer labour market indicators supported US bonds. Fed chair Jerome Powell maintained an easing bias, hinting that rate hikes remained unlikely. Renewed confidence in the Fed lowering interest rates later this year supported credit markets. Australian government bonds yields had a volatile month trading in a 30bps range, falling sharply following weak employment data, then rising after inflation disappointed. Overall Australian 10 year bond yields fell by 5bps. US investment grade corporates outperformed European markets on a total return basis, although positive excess returns over governments were similar across regions as spreads tightened.

Investment Outlook

The Fund remained highly invested on average throughout the quarter, with the underlying bond climbing steadily from yield. At the same time, its relatively short duration of around 3 years has sheltered it from the rather volatile rates market.

In April, HSBC announced its quarterly earnings and continued to perform well on its profitability and balance sheet metrics. Although Profit before Tax was marginally lower versus 1Q23, the high interest rate environment supported the bank’s Net Interest Income, which was actually higher compared to a year ago. Revenues were also supported by a gain on sale of the Canadian business, which was partially offset by an impairment in Argentina. The bank also managed to keep cost growth in line with guidance, illustrating disciplined execution in managing costs.

HSBC’s Common Equity Tier 1 (CET1) ratio was up 0.4%, which is slightly above its target range of 14.0-14.5%, but this is expected to normalize in 2Q24 reporting period given that the bank has announced up to \$3 billion in share buyback. Customer loans and deposits have also remained broadly stable versus the previous quarter, and this provides a healthy base for its banking activities.

In conclusion, these results bolster confidence in HSBC's ability to manage challenges and sustain strong performance. The Bank's commitment to responsible financial management, strategic actions, and risk mitigation strategies positions it well for ongoing performance and provides comfort for bondholders. The bank’s healthy CET1 levels also provide a sizable buffer for its Additional Tier 1 bond which the Fund invests into, and continues to be a good source of yield.

AHAM SINGLE BOND SERIES 1

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

	Financial period ended <u>31.5.2024</u> USD	Financial period ended <u>31.5.2023</u> USD
INVESTMENT INCOME		
Interest income from financial assets at amortised cost	31,202	29,379
Interest income from financial assets at fair value through profit or loss	658,704	1,199,826
Net loss on foreign currency exchange	(43,095)	(1,128,810)
Net (loss)/gain on currency swap at fair value through profit or loss	(146,106)	308,566
Net gain/(loss) on financial assets at fair value through profit or loss	1,159,276	(24,246)
	<u>1,659,981</u>	<u>384,715</u>
EXPENSES		
Management fee	(50,244)	(87,719)
Trustee fee	(4,032)	(7,055)
Fund accounting fee	(1,271)	(1,576)
Auditors' remuneration	(890)	(942)
Tax agent's fee	(390)	(412)
Other expenses	(3,535)	(5,380)
	<u>(60,362)</u>	<u>(103,084)</u>
NET PROFIT BEFORE TAXATION	1,599,619	281,631
Taxation	(37,080)	(188,384)
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>1,562,539</u>	<u>93,247</u>
Net profit after taxation is made up of the following:		
Realised amount	(658,768)	17,994,135
Unrealised amount	2,221,307	(17,900,888)
	<u>1,562,539</u>	<u>93,247</u>

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024

	<u>2024</u> USD	<u>2023</u> USD
ASSETS		
Cash and cash equivalents	487,167	5,589,929
Financial assets at fair value through profit or loss	19,147,375	19,196,186
Currency swap at fair value through profit or loss	70,298	41,182
Tax recoverable	79,109	-
TOTAL ASSETS	<u>19,783,949</u>	<u>24,827,297</u>
LIABILITIES		
Currency swap at fair value through profit or loss	274,584	790,948
Amount due to Manager		
- management fee	8,261	10,193
- cancellation of units	-	18,076
Amount due to Trustee	661	815
Fund accounting fee	213	220
Auditors' remuneration	891	942
Tax agent's fee	1,185	1,242
Other payables and accruals	270	20,119
Tax payable	-	600,379
TOTAL LIABILITIES	<u>286,065</u>	<u>1,442,934</u>
NET ASSET VALUE OF THE FUND	<u>19,497,884</u>	<u>23,384,363</u>
EQUITY		
Unitholders' capital	20,915,997	25,452,824
Accumulated losses	(1,418,113)	(2,068,461)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>19,497,884</u>	<u>23,384,363</u>

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

	<u>2024</u> USD	<u>2023</u> USD
REPRESENTED BY:		
NUMBER OF UNITS IN CIRCULATION		
- MYR-Hedged Class	<u>101,958,000</u>	<u>126,428,000</u>
NET ASSET VALUE PER UNIT (USD)		
- MYR-Hedged Class	<u>0.1912</u>	<u>0.1850</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCY		
- MYR-Hedged Class	<u>RM0.8998</u>	<u>RM0.8528</u>

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

	Unitholders' <u>capital</u> USD	Accumulated <u>losses</u> USD	<u>Total</u> USD
Balance as at 1 December 2023	22,801,810	(2,425,687)	20,376,123
Total comprehensive income for the financial period	-	1,562,539	1,562,539
Distribution	-	(554,965)	(554,965)
Movement in unitholders' capital:			
Creation of units arising from distribution	105,560	-	105,560
Cancellation of units	(1,991,373)	-	(1,991,373)
Balance as at 31 May 2024	<u>20,915,997</u>	<u>(1,418,113)</u>	<u>19,497,884</u>
Balance as at 1 December 2022	40,101,826	(1,487,352)	38,614,474
Total comprehensive income for the financial period	-	93,247	93,247
Distribution	-	(674,356)	(674,356)
Movement in unitholders' capital:			
Creation of units arising from distribution	131,126	-	131,126
Cancellation of units	(14,780,128)	-	(14,780,128)
Balance as at 31 May 2023	<u>25,452,824</u>	<u>(2,068,461)</u>	<u>23,384,363</u>

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