

Sustainable & Responsible Investment (SRI) Statement

Date of Issuance: 27 June 2024

AHAM AIIMAN ESG Income Plus Fund



MANAGER

AHAM Asset Management Berhad
Registration No.: 199701014290 (429786-T)

TRUSTEE

HSBC (Malaysia) Trustee Berhad
Registration No.: 193701000084 (1281-T)

Warning Statement

A copy of the Prospectus and Product Highlights Sheet ("PHS") can be obtained at AHAM Asset Management Berhad's ("AHAM Capital") sales offices or at aham.com.my. Investors are advised to read and understand the contents of AHAM Aiiman ESG Income Plus Fund (or the "Fund") Prospectus dated 16 February 2024 and the corresponding PHS before investing. There are fees and charges involved when investing in the Fund. Investors are advised to consider the fees and charges as well of the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. The price of units and distribution payable, if any, may go down as well as up and past performance of the Fund should not be taken as indicative of its future performance. The Securities Commission Malaysia takes no responsibility for the contents of this marketing / promotional material and expressly disclaims all liability, however arising from this marketing / promotional material.

AHAM AIIAN ESG Income Plus Fund Sustainable & Responsible Investment (SRI) Statement

Based on holdings as of 30 April 2024

AHAM Aiiiman ESG Income Plus Fund (“Fund”) is a qualified sustainable and responsible investment fund under the Securities Commission Malaysia’s Guidelines on Sustainable and Responsible Investment Funds. The Fund invests a minimum 80.0% of its NAV into Malaysian-issued sukuk and a maximum of 20.0% into cash, Islamic money market instruments and/or Islamic deposit. The Fund adopts the following SRI methodologies, including the selection, retention and realization of its investments.

1) Negative or Exclusionary Screening

The Fund excludes companies that are deemed to be contributing harm towards environmental or social objectives. A maximum 10.0% revenue threshold applies to the following business activities.



Alcohol



Coal Mining



Forestry and
Logging



Fossil Fuel



Gaming



Tobacco



Military
Weapons

2) ESG Integration

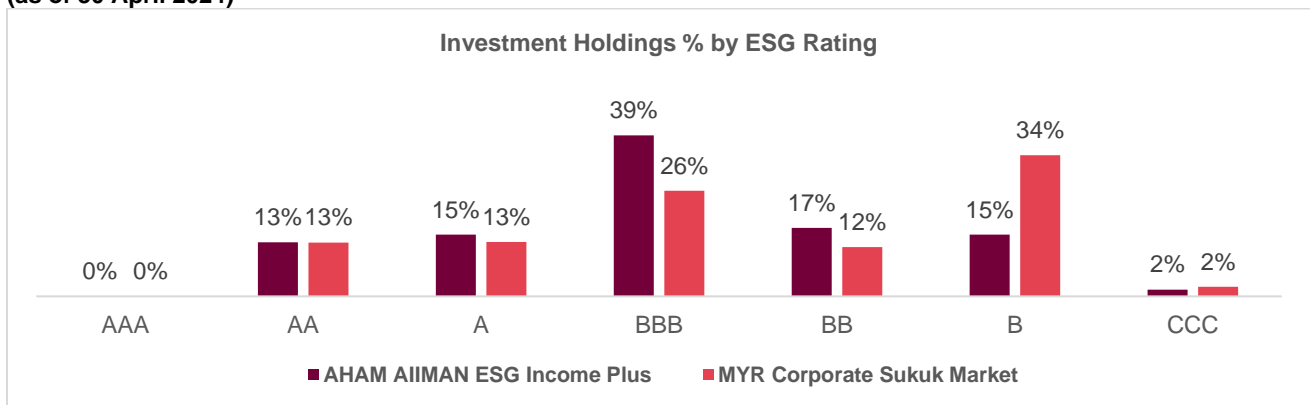
The Fund will include ESG factors in the investment decision making and portfolio construction process. These ESG factors help the Manager identify potential tail risks and/or best-in-class practices such as competitive edge, customer behavior, reputational risk and accessibility to funding. It also served as additional portfolio risk management tool by increasing awareness about the Fund’s exposures to certain negative ESG risk factors.

As an ESG-labelled fund, the Fund promotes Environmental and Social characteristics by aiming to maintain a higher overall portfolio ESG rating than broad MYR corporate sukuk market. ESG rating is determined by AHAM’s internal methodology and aims to assess a company’s ability to manage its material ESG risk exposures. The Manager monitors compliance with the characteristics to maintain a higher overall ESG rating by reference to the weighted average ESG rating of the Fund compared to the weighted average of the constituents of the broad MYR corporate sukuk.

Fund ESG Statistics

As of 30 April 2024, the weighted average portfolio ESG rating of the Fund is BBB*, as compared to the weighted average ESG rating of the broad MYR corporate sukuk market of BB. Approximately 91.4% of the Fund NAV carries an ESG rating.

Figure 1: ESG rating distribution of AHAM Aiman ESG Income Plus Fund vs. broad MYR corporate sukuk market (as of 30 April 2024)



Source: Bloomberg, AHAM Asset Management Berhad

Figure 2: Portfolio Top 10 Holdings (as of 30 April 2024)

Issuer Name	Bond	ESG Rating	% Weight	SRI Sukuk Type
TNB Power Generation Sdn. Bhd.	TNBPOG 4.84 03/27/43 IMTN	BBB	3.56%	Sustainable Sukuk
Johor Corporation	PERBA 4.8 07/06/38 IMTN	BBB	2.55%	-
YTL Power International Berhad	YTLPMK 4.74 08/24/38 IMTN	BBB	2.45%	-
Projek Lebuhraya Usahama Berhad	PLUSMK 4.821 01/12/35 IMTN	A	2.33%	-
YTL Power International Berhad	YTLPMK 4.99 03/24/33 IMTN	BBB	2.21%	-
Sime Darby Plantation Berhad	SIMEMK 5.65 PERP IMTN	AA	2.18%	-
Tenaga Nasional Berhad	TNBMK 4.98 08/27/38 IMTN	BBB	2.08%	-
Projek Lebuhraya Usahama Berhad	PLUSMK 4.891 01/11/36 IMTN	A	2.06%	-
Amanat Lebuhraya Rakyat Berhad	AMLRMK 5.09 10/11/30 IMTN	BB	2.01%	Sustainable Sukuk
Projek Lebuhraya Usahama Berhad	PLUSMK 5 ¾ 01/12/37 IMTN	A	1.91%	-

Source: Bloomberg, AHAM Asset Management Berhad

The Fund has approximately 14.6% exposure into SRI sukuk such as Sustainable sukuk and Green sukuk. SRI sukuk is a sukuk in which the proceeds are applied exclusively for the financing of any activities or assets that seek to achieve environmental, social or sustainable objectives such as preservation of natural resources, reducing greenhouse gas emissions or addressing specific social issues (e.g. poverty, access to basic infrastructure, affordable housing etc.). By investing into SRI sukuk, the Fund supports the financing of sustainability-driven projects and contributes to the development of SRI ecosystem in Malaysia.

Figure 3: Portfolio Holdings in SRI Sukuk (as of 30 April 2024)

No	Issuer	Bond	% Weight	SRI Sukuk Type
1	TNB Power Generation Sdn. Bhd.	TNBPOG 4.84 03/27/43 IMTN	3.56	Sustainable Sukuk
2	Amanat Lebuhraya Rakyat Berhad	AMLRMK 5.09 10/11/30 IMTN	2.01	Sustainable Sukuk
3	TNB Power Generation Sdn. Bhd.	TNBPOG 5.05 06/02/37 IMTN	1.79	Sustainable Sukuk
4	Amanat Lebuhraya Rakyat Berhad	AMLRMK 5.16 10/13/31 IMTN	1.56	Sustainable Sukuk
5	Amanat Lebuhraya Rakyat Berhad	AMLRMK 4.97 10/12/29 IMTN	1.13	Sustainable Sukuk
6	TNB Power Generation Sdn. Bhd.	TNBPOG 5.2 06/02/42 IMTN	0.92	Sustainable Sukuk
7	Malaysia Rail Link Sdn. Bhd.	MALRAI 4.03 03/30/40 IMTN	0.80	Sustainable Sukuk
8	TNB Power Generation Sdn. Bhd.	TNBPOG 4.3 03/29/30 IMTN	0.55	Sustainable Sukuk
9	UEM Olive Capital Berhad	UEM 4.3 12/06/28 IMTN	0.55	Green Sukuk
10	Edra Solar Sdn. Bhd.	EDRSSB 4 ½ 10/11/29 IMTN	0.27	Sustainable Sukuk
11	CIMB Group Holdings Berhad	CIMBMK 4.36 10/21/33 BOND	0.27	Sustainable Sukuk
12	Leader Energy Sdn. Bhd.	LEAENE 3.95 07/16/25 IMTN	0.27	Green Sukuk
13	Leader Energy Sdn. Bhd.	LEAENE 4.05 07/16/26 IMTN	0.27	Green Sukuk
14	Sunway Healthcare Treasury Sdn Bhd	SWHCH 4 04/27/29 IMTN	0.27	Sustainable Sukuk
15	Solar Management (Seremban) Sdn. Bhd.	SOLMAN 3.98 10/21/25 IMTN	0.19	Green Sukuk
16	Sime Darby Property Berhad	SDPRMK 3.1 12/03/25 IMTN	0.11	Sustainable Sukuk
17	Tadau Energy Sdn. Bhd.	TADENR 5 ½ 07/27/26 IMTN	0.06	Green Sukuk
Total			14.59	

Source: Bloomberg, AHAM Asset Management Berhad

Corporate engagement is an important platform to drive greater awareness and adoption of sustainability practices and good governance behaviors. In the last 12 months up to 30 April 2024, the Manager has conducted engagements with 11 sukuk issuers in which the Fund has invested into. The Manager engaged issuers from the construction, utilities, financials services, real estate and plantation sectors on topics such as environmental or climate policies, sustainability governance structures and sustainability financing. The extent to which the Manager is able to influence change depends on the amount of exposure and where it sits on the capital structure.

* ESG rating is determined by AHAM's in-house methodology and covers only corporate and financial institutions in which the Manager maintains active research coverage on. We currently maintain active research coverage on approximately 80% of the broad MYR corporate sukuk market. The ESG rating methodology is reviewed regularly and may be updated from time-to-time.

** The data provided above is that of the Fund and is a percentage of NAV as at 30 April 2024. All figures are subject to frequent changes on a daily basis and the percentages might not add up to 100% due to rounding.

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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