



QUARTERLY REPORT
30 April 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 30 April 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 30 Apr 2024	As at 31 Jan 2024
Total NAV (RM'million)	58.55	56.32
NAV per Unit (RM)	1.0783	1.0795
Unit in Circulation (million)	54.30	52.17

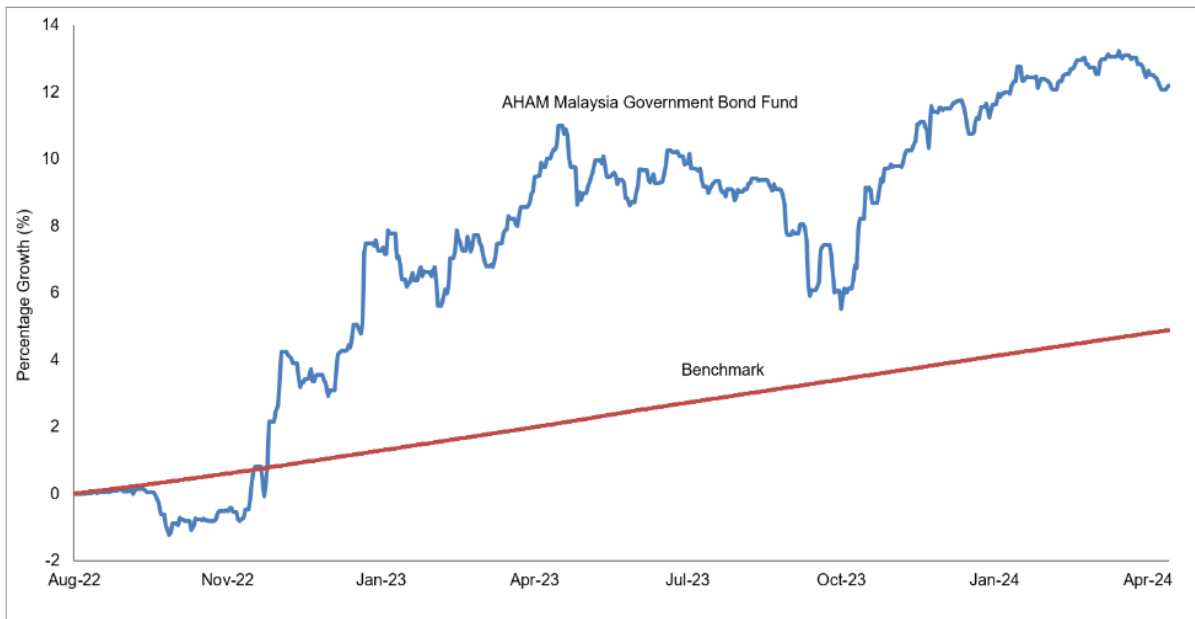
Fund Performance

Table 1: Performance as at 30 April 2024

	3 Months (1/2/24 - 30/4/24)	6 Months (1/11/23 - 30/4/24)	1 Year (1/5/23 - 30/4/24)	Since Commencement (4/8/22 - 30/4/24)
Fund	(0.11%)	5.04%	2.46%	12.19%
Benchmark	0.66%	1.36%	2.82%	4.89%
Outperformance	(0.77%)	3.68%	(0.36%)	7.30%

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:

	30 April 2024
	(%)
Fixed Income	73.91
Cash & money market	26.09
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 and Malaysia Government Investment Issues with the objective to provide investors with income stream over the medium to long-term period. The portfolio duration and allocation between fixed income and deposits was managed based the interest rate outlook for the market over the medium to long-term horizon. Macroeconomic conditions, market trends and available investment opportunities are also important considerations. The portfolio duration stood at 10-years. Cash stood at 26% at the end of the period under review as the fund was positioned more defensively to protect the fund from adverse market conditions.

Market Review

At the beginning of the period under review, global bond market volatility was heightened due to uncertainties surrounding the US Federal Reserve's terminal policy rate. Inflation data in the US was trending lower, lifting market sentiment and drove global fixed income yields lower despite the US Federal Reserve's 'higher for longer' narrative. However, economic outlook turned robust while core inflation remained sticky, exerting pressure on the investors expectations on the timing of rate cuts by the US Federal Reserve. US Treasury yields repriced higher in April on the back of better-than-expected economic data and higher inflation print. The Federal Reserve during its 30 Apr/01 May 2024 FOMC meeting, kept the Fed Funds Target Rate (FFTR) unchanged at 5.25%-5.50%.

Malaysian fixed income market performance was strong at the start of the period but turned volatile towards the end of April in line with rising global bond yields trend. Nonetheless, the rise in yields were relatively subdued anchored by ample domestic liquidity. Against a backdrop of stable domestic growth, real money investor's demand for yield and duration drove credit spreads towards historical low and kept the long end of Malaysia's sovereign yield curve supported. Wide interest differential between the US and Malaysia exerted upward pressure to domestic bond yields (especially at the short end) and weighed on the Ringgit. The 3-year, 10-year, and 30-year Malaysian sovereign bond yields stood at 3.61% (+31 bps), 3.99% (+25 bps), and 4.30% (+13 bps) respectively at the end of April. The yield curve bear flattened, as short-term bond yields rose more than long-term bond yields.

Malaysia's 1Q2024 GDP growth showed an uptick to 4.2% y/y (from a +2.9% y/y in 4Q23), higher than the advance estimate and consensus of 3.9%. Headline inflation held steady at 1.8% y/y in April, same rate as in March and February. The reading was below market expectation of a rise to 1.9%. Bank Negara Malaysia (BNM) maintained its Overnight Policy Rate (OPR) unchanged at 3.0%, the fifth consecutive pause since July 2023 meeting. In its statement, BNM noted that the existing monetary policy stance continues to be supportive of economic growth, in line with its evaluation of the inflation and growth prospects going forward.

Investment Outlook

The US Federal Funds Rate of 5.25-5.50% appeared sufficiently restrictive, with recent data showing signs of easing in wage growth and core inflation components. Looking past the current data driven volatility, the Manager opines that the US Federal Reserve should remain dovish over the medium term.

Domestically, Malaysia's growth outlook is within expectations although there is a risk that it could be impacted by slower global trade, global tech downcycle, geopolitical tensions, and tighter monetary policies. Despite the on-going subsidy rationalization, the impact on domestic inflation would require a longer time to ascertain. Hence, BNM is expected to prioritize growth over inflation in the near-term, giving rise to a stable OPR outlook.

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Financial period ended <u>30.4.2024</u> RM	Financial period ended <u>30.4.2023</u> RM
INVESTMENT (LOSS)/INCOME		
Interest income from financial asset at amortised cost	54,967	21,425
Interest income from financial asset at fair value through profit or loss	526,415	380,575
Net (loss)/gain on financial assets fair value through profit or loss	<u>(609,115)</u>	<u>585,871</u>
	<u>(27,733)</u>	<u>987,871</u>
EXPENSES		
Management fee	(28,461)	(18,568)
Trustee fee	(4,271)	(2,889)
Fund accounting fee	(3,000)	(4,000)
Auditors' remuneration	(1,967)	(1,951)
Tax agent's fee	(861)	(854)
Other expenses	(1,215)	(104)
	<u>(39,775)</u>	<u>(28,366)</u>
NET (LOSS)/PROFIT BEFORE TAXATION	(67,508)	959,505
Taxation	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD	<u>(67,508)</u>	<u>959,505</u>
Net (loss)/profit after taxation is made up of the following:		
Realised amount	566,811	451,551
Unrealised amount	<u>(634,319)</u>	<u>507,954</u>
	<u>(67,508)</u>	<u>959,505</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	14,491,450	3,708,495
Amount due to Manager		
- creation of units	247,940	-
Financial assets at fair value through profit or loss	43,830,507	41,475,169
TOTAL ASSETS	<u>58,569,897</u>	<u>45,183,664</u>
LIABILITIES		
Amount due to Manager		
- management fee	9,566	7,267
- cancellation of units	-	272,375
Amount due to Trustee	1,435	1,090
Fund accounting fee	1,000	1,000
Auditors' remuneration	1,968	9,951
Tax agent's fee	4,361	4,354
Other payables and accruals	466	500
TOTAL LIABILITIES	<u>18,796</u>	<u>296,537</u>
NET ASSET VALUE OF THE FUND	<u>58,551,101</u>	<u>44,887,127</u>
EQUITY		
Unitholders' capital	55,762,883	41,298,932
Retained earnings	2,788,218	3,588,195
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>58,551,101</u>	<u>44,887,127</u>
NUMBER OF UNITS IN CIRCULATION	<u>54,299,000</u>	<u>40,993,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>1.0783</u>	<u>1.0950</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Unitholders' <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 loss for the financial period	-	(67,508)	(67,508)
Movement in unitholders' capital:			
Creation of units arising from applications	2,581,930	-	2,581,930
Cancellation of units	(278,890)	-	(278,890)
Balance as at 30 April 2024	<u>55,762,883</u>	<u>2,788,218</u>	<u>58,551,101</u>
Balance as at 1 February 2023	36,369,210	2,628,690	38,997,900
Total comprehensive income for the financial period	-	959,505	959,505
Movement in unitholders' capital:			
Creation of units arising from applications	9,889,235	-	9,889,235
Cancellation of units	(4,959,513)	-	(4,959,513)
Balance as at 30 April 2023	<u>41,298,932</u>	<u>3,588,195</u>	<u>44,887,127</u>

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