



QUARTERLY REPORT
30 April 2024

AHAM Strategic Opportunity Fund 3

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

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CIMB Commerce Trustee Berhad
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Built On Trust

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AHAM STRATEGIC OPPORTUNITY FUND 3

Quarterly Report and Financial Statements As at 30 April 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Strategic Opportunity Fund 3
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide income return whilst maintaining capital preservation ¹
Duration of the Fund	Two (2) years
Termination Date	17 February 2025
Distribution Policy	Depending on the level of income the Fund generates, the Fund aims to distribute income on an annual basis.

FUND PERFORMANCE DATA

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (RM'million)	65.65	67.36
NAV per Unit (RM)	1.0182	1.0449
Unit in Circulation (million)	64.47	64.47

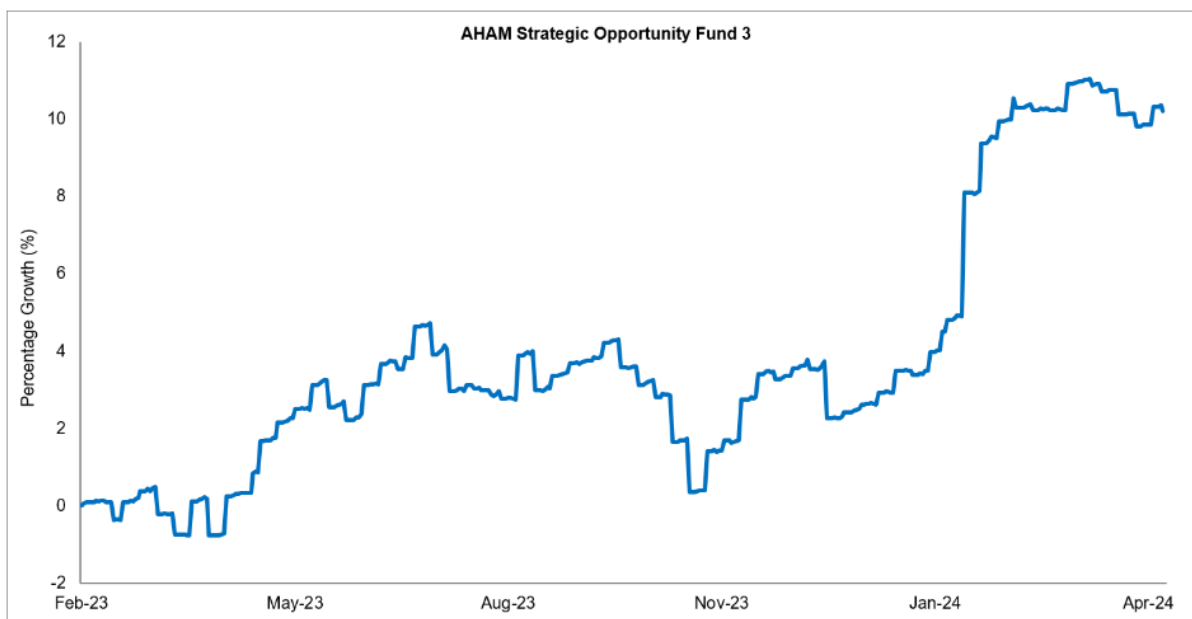
Fund Performance

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 (15/2/23 - 30/4/24)
Fund	5.48%	8.70%	8.38%	10.21%

¹ The Fund is not a capital guaranteed nor a capital protected fund.

Figure 1: Movement of the Fund since commencement.



"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."

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
	(%)
Unit Trust	2.86
Cash & money market	97.14
Total	100.00

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2024-02-22	8.3400	100	-	-

Strategies Employed

Over the period under review, the Fund maintained its strategy of employing a buy and hold strategy, remaining invested until the maturity date of the Fund.

Market Review

The Japanese equity market ended February higher with the TOPIX (with dividends) up 4.93% on-month and the Nikkei 225 (with dividends) rising 7.99%. A number of positives bolstered stocks, including overall solid

domestic corporate earnings and comments from the governor of the Bank of Japan (“BOJ”) implying that even if the BOJ were to scrap its negative interest rate policy, it would maintain monetary easing, which in turn led the yen to weaken further against the US Dollar amid the outlook for the prolongation of the BOJ’s ultra-loose policy, and spurred expectations for strong earnings for exporters. At the same time, investors are anticipating enhanced shareholder returns as a result of the Tokyo Stock Exchange’s push to encourage listed companies to improve capital efficiency. Japanese equities were also supported by the rise in US equities on the back of strong earnings results at major semiconductor firms benefitting from the generative AI boom. Of the 33 Tokyo Stock Exchange sectors, 25 sectors rose, with Transportation Equipment, Insurance, and Oil & Coal Products posting the strongest gains. In contrast, 8 sectors declined, including Textiles & Apparels, Marine Transportation, and Foods.

In March, the Japanese equity market the month higher with the TOPIX (with dividends) up 4.44% on-month and the Nikkei 225 (w/dividends) rising 3.78%. In the first half of the month, stocks were weighed down by mounting expectations for the BOJ to scrap its negative interest rate policy. In the latter half of the month, the BOJ did indeed announce at its Monetary Policy Meeting the elimination of its negative interest rate policy as well as the end of its purchases of exchange-traded funds (“ETFs”). However, the BOJ governor's press conference remarks indicating the continuation of the accommodative monetary environment for the time being had a positive effect on equities. At the same time, Japanese stocks were supported by the policy rate outlook presented by policymakers at the US Federal Reserve’s March meeting as well as the view that the Fed will cut rates this year as expected based on remarks made by Fed chair Powell. Of the 33 Tokyo Stock Exchange sectors, 28 sectors rose, with Real Estate, Mining, and Oil & Coal Products posting the strongest gains. In contrast, 5 sectors declined, including Marine Transportation, Precision Instruments, and Pharmaceuticals.

The Japanese equity market ended April lower with the TOPIX (with dividends) down 0.91% on-month and the Nikkei 225 (with dividends) falling 4.86%. The BOJ left its monetary policy unchanged at its April Monetary Policy Meeting, supporting Japanese equities, but the market was negatively impacted by investors’ growing risk-off sentiment amid escalating tensions in the Middle East as well as the decline in the US equities market as the outlook faded for the Fed to cut rates at an early stage, given the announcement of strong economic indicators in the US. Semiconductor-related stocks also weighed down the Japanese market after a major Taiwanese contract semiconductor manufacturer scaled back its outlook for chip market growth. Another negative factor was disappointing earnings results released by certain major firms both in Japan and abroad. Of the 33 Tokyo Stock Exchange sectors, 13 sectors rose, with Marine Transportation, Nonferrous Metals, and Wholesale Trade posting the strongest gains. In contrast, 20 sectors declined, including Pulp & Paper, Retail Trade, and Air Transportation.

Investment Outlook

The Japanese equity market has been weighed down as US long-term interest rates rose on the back of strong economic indicators. In the near term, it is possible that periods of volatility can be observed based on changes in domestic and international monetary policy and macroeconomic indicators, the conflict in the Middle East, and forex fluctuations. However, there is potential that the Japanese equity market will continue to perform solidly given that Japanese corporate earnings are expected to continue trending upward as inventory adjustments run their course and domestic demand recovers, while Japanese companies also continue to seek ways to increase returns to shareholders. At the same time, with an eye to improving capital efficiency, Japanese companies are enhancing the efficiency of their operations by implementing business structure reforms, selling off cross-shareholdings, investing in future growth, and prioritising returns to shareholders. The economy is also beginning to exit a deflationary period as both the price of goods and wages are rising. We believe these factors will support a continued uptrend in Japanese equities in the medium term as well.

Presently, many stocks listed on the TSE Prime Market continue to trade below their book values, with many stocks remaining undervalued relative to the economic conditions and corporate results. We believe that going forward investors will increasingly look to such stocks that appear undervalued in terms of their earnings. As such, looking at the medium term, we are confident our strategy of investing in undervalued stocks employed by the fund will remain effective. We will continue to invest in names that are undervalued from a variety of perspectives, including each firm’s earnings potential and its financial health.

AHAM STRATEGIC OPPORTUNITY FUND 3

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 INCOME		
Interest income from financial assets at fair value through profit or loss	5,850,156	540,249
Net loss on foreign currency exchange	(25,572)	(30,296)
Net (loss)/gain on derivatives at fair value through profit or loss	(2,154,989)	592,230
	<u>3,669,595</u>	<u>1,102,183</u>
EXPENSES		
Trustee fee	(3,272)	(3,676)
Fund accounting fee	(3,000)	(2,493)
Auditors' remuneration	(2,895)	(2,700)
Tax agent's fee	(882)	(994)
Other expenses	(1,846)	(422)
	<u>(11,895)</u>	<u>(10,285)</u>
NET PROFIT BEFORE TAXATION	3,657,700	1,091,898
Taxation	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>3,657,700</u>	<u>1,091,898</u>
Net profit after taxation is made up of the following:		
Realised amount	4,373,668	515,607
Unrealised amount	(715,968)	576,291
	<u>3,657,700</u>	<u>1,091,898</u>

AHAM STRATEGIC OPPORTUNITY FUND 3

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	30,439	130,058
Financial assets at fair value through profit or loss	63,836,894	61,394,462
Derivatives at fair value through profit or loss	1,879,003	4,043,277
TOTAL ASSETS	<u>65,746,336</u>	<u>65,567,797</u>
LIABILITIES		
Amount due to Trustee	1,077	1,063
Fund accounting fee	1,000	1,000
Auditors' remuneration	2,395	2,700
Tax agent's fee	4,382	994
Other payables and accruals	91,725	142
TOTAL LIABILITIES	<u>100,579</u>	<u>5,899</u>
NET ASSET VALUE OF THE FUND	<u>65,645,757</u>	<u>65,561,898</u>
EQUITY		
Unitholders' capital	64,470,000	64,470,000
Retained earnings	1,175,757	1,091,898
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>65,645,757</u>	<u>65,561,898</u>
NUMBER OF UNITS IN CIRCULATION	<u>64,470,000</u>	<u>64,470,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>1.0182</u>	<u>1.0169</u>

AHAM STRATEGIC OPPORTUNITY FUND 3

UNAUDITED STATEMENT 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	64,470,000	2,894,855	67,364,855
Total comprehensive income for the financial period	-	3,657,700	3,657,700
Distributions	-	(5,376,798)	(5,376,798)
Balance as at 30 April 2024	<u>64,470,000</u>	<u>1,175,757</u>	<u>65,645,757</u>
Balance as at 17 January 2023 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	1,091,898	1,091,898
Movement in unitholders' capital:			
Creation of units arising from applications	64,470,000	-	64,470,000
Balance as at 30 April 2023	<u>64,470,000</u>	<u>1,091,898</u>	<u>65,561,898</u>

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