



QUARTERLY REPORT
30 April 2024

AHAM World Series – **US Short Duration High Income Fund**

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AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

Quarterly Report and Financial Statements As at 30 April 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – US Short Duration High Income Fund
Fund Type	Income
Fund Category	Bond feeder (wholesale)
Investment Objective	The Fund aims to provide investors with regular income through investments in US high yield bonds
Benchmark	Merrill Lynch 1-3 Years BB-B US Cash Pay High Yield Index
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis.

FUND PERFORMANCE DATA

USD Class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (USD'million)	1.593	1.643
NAV per Unit (USD)	0.4539	0.4591
Unit in Circulation (million)	3.511	3.580

MYR Class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (RM'million)	5.359	3.881
NAV per Unit (RM)	0.4909	0.4919
Unit in Circulation (million)	10.916	7.890

MYR Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (RM'million)	10.344	10.693
NAV per Unit (RM)	0.4844	0.4923
Unit in Circulation (million)	21.354	21.721

SGD Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (SGD'million)	1.207	1.047
NAV per Unit (SGD)	0.4242	0.4305
Unit in Circulation (million)	2.846	2.432

AUD Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (AUD'million)	0.996	1.171
NAV per Unit (AUD)	0.4558	0.4633
Unit in Circulation (million)	2.186	2.528

GBP Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (GBP'million)	0.207	0.204
NAV per Unit (GBP)	0.4293	0.4339
Unit in Circulation (million)	0.482	0.470

EUR Hedged-class

Category	As at 30 Apr 2024	As at 31 Jan 2024
Total NAV (EUR'million)	0.475	0.406
NAV per Unit (EUR)	0.3921	0.3986
Unit in Circulation (million)	1.212	1.018

Fund Performance

Table 1: Performance as at 30 April 2024

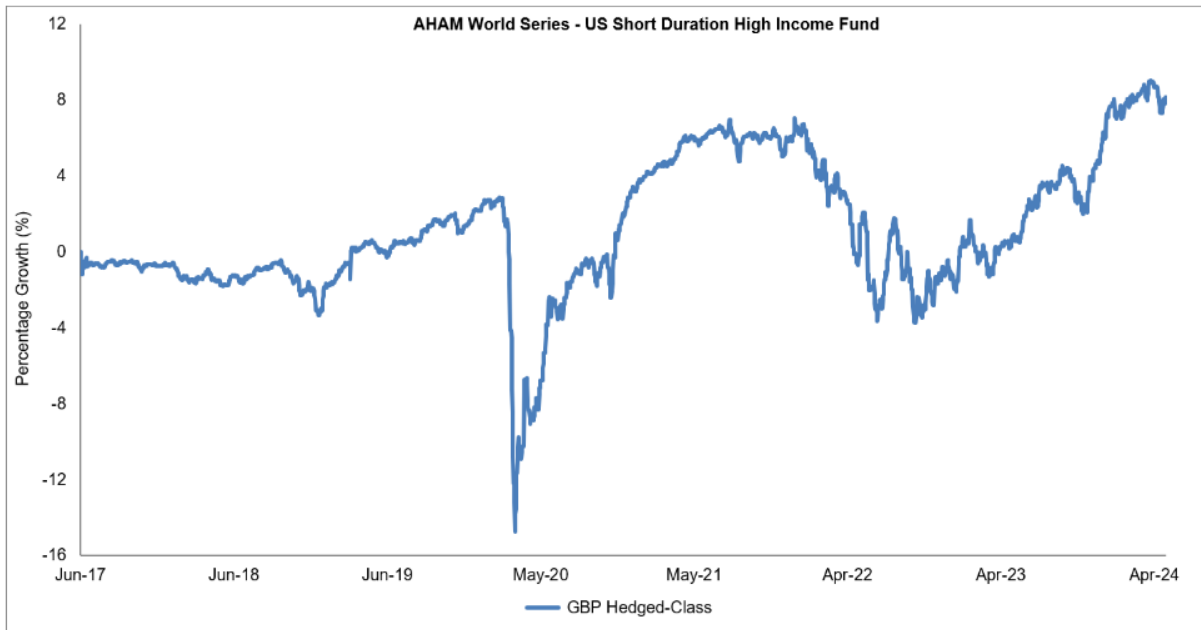
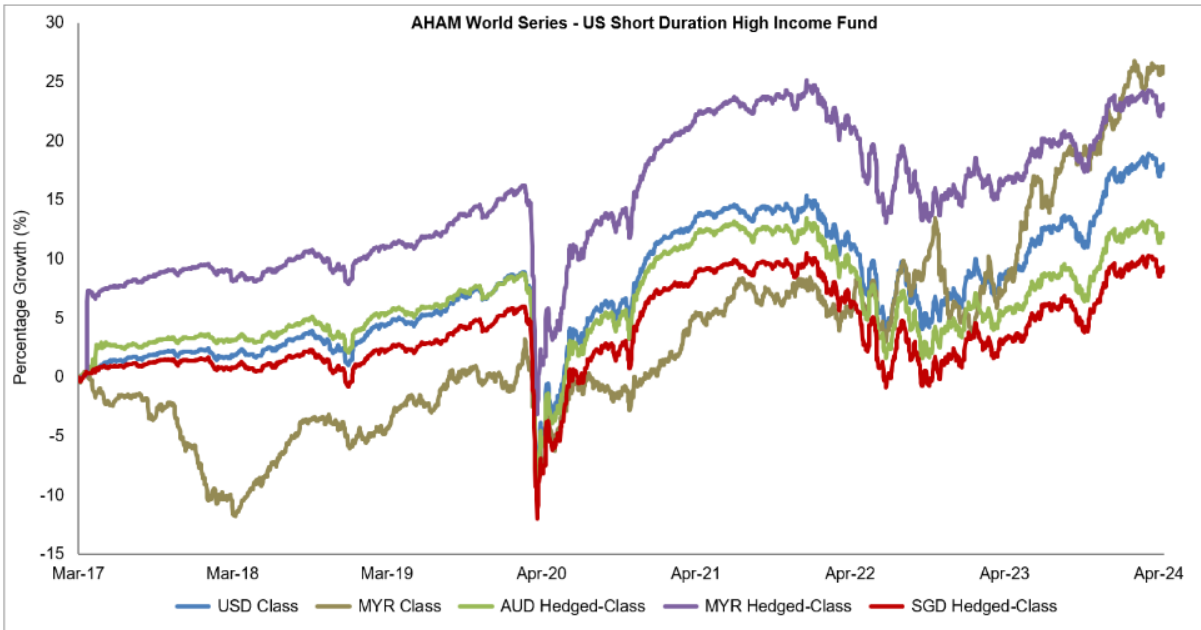
	3 Months (1/2/24 - 30/4/24)	6 Months (1/11/23 - 30/4/24)	1 Year (1/5/23 - 30/4/24)	3 Years (1/5/21 - 30/4/24)	5 Years (1/5/19 - 30/4/24)	Since Commencement (24/3/17 - 30/4/24)
USD	0.38%	6.27%	8.26%	3.60%	12.44%	18.00%
MYR	1.22%	6.45%	15.77%	20.92%	29.72%	26.27%
AUD Hedged	(0.11%)	5.30%	5.93%	(0.28%)	6.02%	12.16%
MYR Hedged	(0.33%)	4.75%	5.31%	0.45%	10.45%	23.08%
SGD Hedged	(0.03%)	5.25%	5.72%	0.13%	6.44%	9.31%

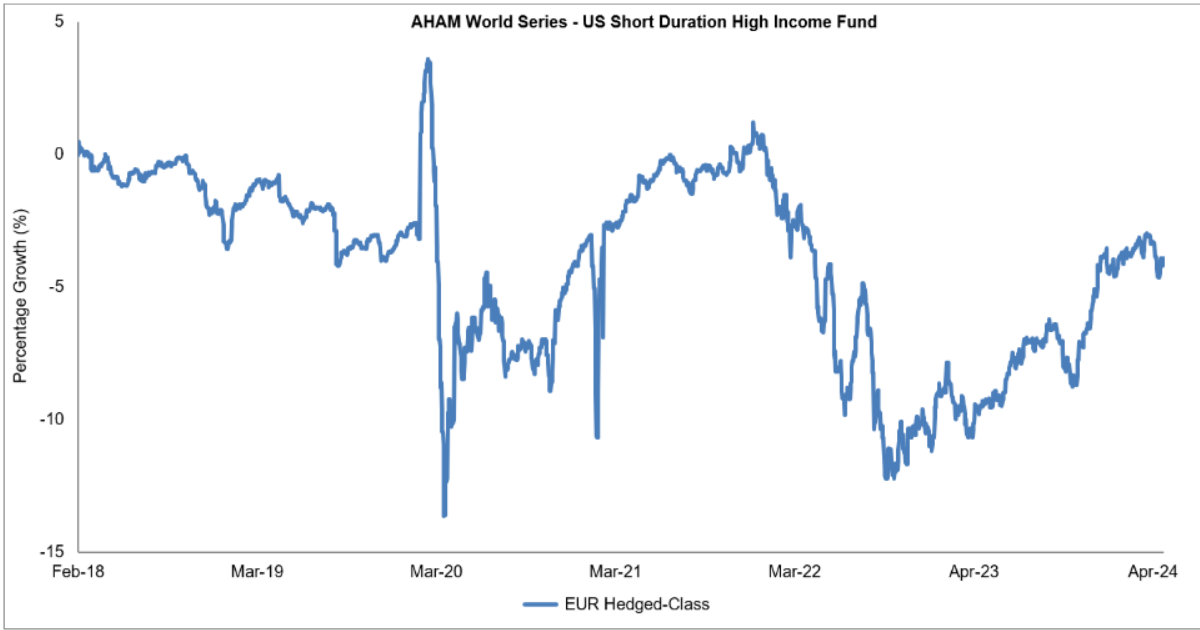
	3 Months (1/2/24 - 30/4/24)	6 Months (1/11/23 - 30/4/24)	1 Year (1/5/23 - 30/4/24)	3 Years (1/5/21 - 30/4/24)	5 Years (1/5/19 - 30/4/24)	Since Commencement (29/6/17 - 30/4/24)
GBP Hedged	0.24%	5.92%	7.62%	2.01%	7.61%	8.15%

	3 Months (1/2/24 - 30/4/24)	6 Months (1/11/23 - 30/4/24)	1 Year (1/5/23 - 30/4/24)	3 Years (1/5/21 - 30/4/24)	5 Years (1/5/19 - 30/4/24)	Since Commencement (22/2/18 - 30/4/24)
EUR Hedged	(0.12%)	5.21%	5.91%	(2.37%)	(2.27%)	(3.93%)

Source of Benchmark: Bloomberg

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. Source of Benchmark is from Bloomberg."
 Benchmark: Merrill Lynch 1-3 Years BB-B Cash Pay High Yield 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:

	30 April 2024
	(%)
Unit Trust	94.58
Derivative	-0.46
Cash & money market	5.88
Total	100.00

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
AUD-Hedged	2024-04-22	0.2320	100	-	-
	2024-03-22	0.2330	100	-	-
	2024-02-22	0.2340	100	-	-
EUR-Hedged	2024-04-22	0.2000	100	-	-
	2024-03-22	0.2010	100	-	-
	2024-02-22	0.2010	100	-	-
GBP-Hedged	2024-04-22	0.1850	100	-	-
	2024-03-22	0.1850	100	-	-
	2024-02-22	0.1930	100	-	-
MYR	2024-04-22	0.2000	100	-	-
	2024-03-22	0.2490	100	-	-
	2024-02-22	0.2510	100	-	-
MYR-Hedged	2024-04-22	0.2100	100	-	-
	2024-03-22	0.2100	100	-	-
	2024-02-22	0.2100	100	-	-
SGD-Hedged	2024-04-22	0.1830	100	-	-
	2024-03-22	0.2170	100	-	-
	2024-02-22	0.2180	100	-	-
USD	2024-04-22	0.2300	100	-	-
	2024-03-22	0.2320	100	-	-
	2024-02-22	0.2320	100	-	-

Strategies Employed

The strategy is a fixed income solution with an emphasis on capital preservation, followed by liquidity and positive total return by capitalizing on the structural inefficiencies at the front-end of the US non-investment grade credit market. The strategy combines rigorous, fundamental credit research with a very tight trading discipline to avoid a permanent loss of principal, minimize downside volatility and provide a consistent level of income. The investment team undertakes its own independent research and analysis. This continual focus on in-depth industry and bottom-up credit analysis produces the most compelling risk-adjusted investment opportunities for the strategy.

Market Review

From February to April, the high yield markets witnessed fluctuations amid a backdrop of shifting investor sentiment influenced by corporate earnings, economic data, and monetary policy expectations. February marked a bullish tone as better-than-expected corporate earnings propelled market optimism, with a 4.0% growth in Q4 earnings compared to a previous contraction. Positive trends in employment figures and sector surveys buoyed market sentiment, although some inflation metrics surpassed expectations. Consequently, market projections for the first interest rate cut were delayed, leading to a rise in Treasury yields and a decline in investment-grade bonds.

March saw continued market advancement as economic indicators remained largely positive, supported by a healthy labor market, and expanding services sector. However, concerns arose as the manufacturing sector contracted and inflationary pressures persisted. The Federal Reserve maintained its stance on interest rates,

signaling potential easing later in the year. High yield indices posted gains, with narrowing spreads and increased bond prices reflecting improved market conditions.

April presented a contrasting picture as market sentiment turned bearish despite a strong start to the Q1 earnings season. While corporate earnings exceeded expectations, mixed economic data, including underperforming GDP growth and declining consumer confidence, contributed to heightened uncertainty. This led to a widening of spreads and a rise in market yields, reflecting investor caution. Despite pockets of outperformance in certain industries such as Health Care and Transportation, overall market performance dipped.

Throughout the period, new issuance activity fluctuated, reflecting changing market conditions. Despite positive momentum in February and March, April witnessed a decline in issuance volume alongside net outflows from high yield funds. Trailing 12-month default rates remained relatively low but showed some fluctuations, mirroring the broader market dynamics.

Investment Outlook

2023's economic momentum has carried over into 2024. Economic tailwinds include a healthy labour market, steady rate hike cycle, and accelerating earnings. Economic headwinds include persistent inflation, restrictive monetary policy, prolonged yield curve inversion, less personal savings, and US/international political risks, among others.

The US high yield market, yielding more than 8%, offers the potential for equity-like returns but with less volatility. Credit fundamentals are stable, near-term refinancing obligations remain low, and management teams continue to prioritise debt reduction. Given these factors, defaults should remain well below historical cycle peaks. The market's attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Notably, after recording an annual decline, the high yield market has historically delivered two consecutive years of positive returns in six of the seven cases#, and forward 12- and 24-month return projections based on the current market yield have been consistent with mid to high single digits.

Longer-duration issues are the most likely to be impacted by high and volatile rates, but the overall high yield market should have a dampened response due to its larger coupon relative to other fixed income alternatives. As a result, US high yield bonds contribute from both a diversification and a relative performance perspective, offering a very compelling yield opportunity.

The Fund remains an attractive fixed income solution without taking excess credit risk, the shorter maturity puts securities first in line to repayment at par, and the Fund lessens price volatility that may be highly amplified in passively managed strategies.

AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

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

	Financial period ended <u>30.4.2024</u> USD	Financial period ended <u>30.4.2023</u> USD
INVESTMENT INCOME		
Dividend income	186,806	136,513
Interest income from financial assets at amortised cost	1,205	340
Net gain/(loss) on foreign currency exchange	2,377	(9,837)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss	(49,234)	98,782
Net gain on financial assets at fair value through profit or loss	222,909	53,433
	<u>364,063</u>	<u>279,231</u>
EXPENSES		
Management fee	(48,818)	(42,393)
Trustee fee	(1,310)	(1,139)
Auditors' remuneration	(834)	(838)
Tax agent's fee	(365)	(367)
Other expenses	(1,745)	(1,639)
	<u>(53,072)</u>	<u>(46,376)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION	310,991	232,855
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		
Distributions	(179,046)	(134,222)
NET PROFIT BEFORE TAXATION	<u>131,945</u>	<u>98,633</u>
Taxation	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>131,945</u>	<u>98,633</u>
Increase in net asset attributable to unitholders is made up of the following:		
Realised amount	(80,209)	(141,587)
Unrealised amount	212,154	240,220
	<u>131,945</u>	<u>98,633</u>

AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024

	<u>2024</u> USD	<u>2023</u> USD
ASSETS		
Cash and cash equivalents	467,954	319,973
Amount due from broker	579	-
Amount due from Manager		
- creation of units	12,587	497
- management fee rebate receivable	5,982	4,997
Financial assets at fair value through profit or loss	6,803,017	5,525,115
Forward foreign currency contracts at fair value through profit or loss	3,417	8,258
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TOTAL ASSETS	7,293,536	5,858,840
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LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	36,222	71,841
Amount due to broker	36,979	-
Amount due to Manager		
- management fee	8,634	7,135
- cancellation of units	12,396	12,133
Amount due to Trustee	230	190
Auditors' remuneration	945	949
Tax agent's fee	1,106	1,210
Tax payable	2,851	2,851
Other payable and accruals	1,517	1,745
	<hr/>	<hr/>
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	100,880	98,054
	<hr/>	<hr/>
NET ASSET VALUE OF THE FUND	7,192,656	5,760,786
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NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	7,192,656	5,760,786
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AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024 (CONTINUED)

	<u>2024</u> USD	<u>2023</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	650,803	592,300
- EUR Hedged-class	509,759	167,799
- GBP Hedged-class	259,562	99,288
- MYR Class	1,123,409	464,779
- MYR Hedged-class	2,168,508	3,150,265
- SGD Hedged-class	887,121	233,397
- USD Class	1,593,494	1,052,958
	<u>7,192,656</u>	<u>5,760,786</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	2,186,000	1,986,000
- EUR Hedged-class	1,212,000	392,000
- GBP Hedged-class	482,000	190,000
- MYR Class	10,916,000	4,644,000
- MYR Hedged-class	21,354,000	28,994,000
- SGD Hedged-class	2,846,000	739,000
- USD Class	3,511,000	2,383,000
	<u>42,507,000</u>	<u>39,328,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.2977	0.2982
- EUR Hedged-class	0.4206	0.4281
- GBP Hedged-class	0.5385	0.5226
- MYR Class	0.1029	0.1001
- MYR Hedged-class	0.1016	0.1087
- SGD Hedged-class	0.3117	0.3158
- USD Class	0.4539	0.4419
	<u>0.4539</u>	<u>0.4419</u>
NET ASSET VALUE PER UNITS IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.4558	AUD0.4532
- EUR Hedged-class	EUR0.3921	EUR0.3896
- GBP Hedged-class	GBP0.4293	GBP0.4196
- MYR Class	RM0.4909	RM0.4464
- MYR Hedged-class	RM0.4844	RM0.4846
- SGD Hedged-class	SGD0.4242	SGD0.4224
- USD Class	USD0.4539	USD0.4419
	<u>USD0.4539</u>	<u>USD0.4419</u>

AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Financial period ended <u>30.4.2024</u> USD	Financial period ended <u>30.4.2023</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	5,324,866	6,312,384
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	3,776,239	2,672,180
- AUD Hedged-class	365,917	361
- EUR Hedged-class	244,177	11,156
- GBP Hedged-class	147,011	283
- MYR Class	960,012	31,315
- MYR Hedged-class	1,056,631	2,599,627
- SGD Hedged-class	768,315	256
- USD Class	234,176	29,182
Creation of units arising from distributions	154,993	105,645
- AUD Hedged-class	17,874	14,497
- EUR Hedged-class	11,837	3,901
- GBP Hedged-class	5,774	5,392
- MYR Class	20,369	12,698
- MYR Hedged-class	38,426	42,340
- SGD Hedged-class	16,899	1,779
- USD Class	43,814	25,038
Cancellation of units	(2,195,387)	(3,428,056)
- AUD Hedged-class	(316,101)	(382)
- EUR Hedged-class	(164,883)	(6,167)
- GBP Hedged-class	(21,645)	(161,764)
- MYR Class	(438,322)	(1,344,932)
- MYR Hedged-class	(838,268)	(1,188,294)
- SGD Hedged-class	(114,432)	(46,485)
- USD Class	(301,736)	(680,032)

AHAM WORLD SERIES – US SHORT DURATION HIGH INCOME FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024 (CONTINUED)

	Financial period ended <u>30.4.2024</u> USD	Financial period ended <u>30.4.2023</u> USD
Increase in net asset attributable to unitholders during the financial period	131,945	98,633
- AUD Hedged-class	30,154	10,367
- EUR Hedged-class	7,600	12,871
- GBP Hedged-class	5,670	12,965
- MYR Class	16,401	(13,609)
- MYR Hedged-class	34,085	70,134
- SGD Hedged-class	(13,710)	12,748
- USD Class	51,745	(6,843)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>7,192,656</u></u>	<u><u>5,760,786</u></u>

AHAM Asset Management Berhad

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