

QUARTERLY REPORT
30 April 2025

AHAM Malaysia Government Bond Fund

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
Deutsche Trustees Malaysia Berhad
200701005591 (763590-H)

Built On Trust

aham.com.my

AHAM MALAYSIA GOVERNMENT BOND FUND

**Quarterly Report and Financial Statements
As at 30 April 2025**

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 2025	As at 31 Jan 2025
Total NAV (RM'million)	61.738	58.345
NAV per Unit (RM)	1.1149	1.0849
Unit in Circulation (million)	55.374	53.781

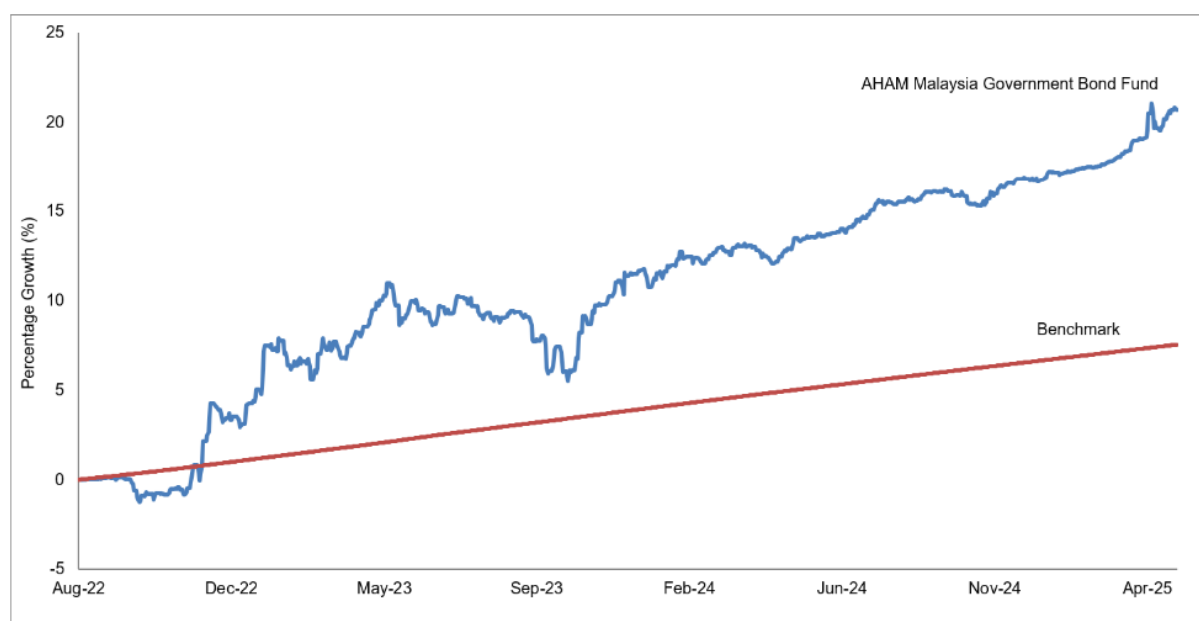
Fund Performance

Table 1: Performance as at 30 April 2025

	3 Months (1/2/25 - 30/4/25)	6 Months (1/11/24 - 30/4/25)	1 Year (1/5/24 - 30/4/25)	Since Commencement (4/8/22 - 30/4/25)
Fund	2.77%	4.63%	7.57%	20.69%
Benchmark	0.60%	1.23%	2.53%	7.55%
Outperformance	2.17%	3.40%	5.04%	13.14%

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 2025
	(%)
Fixed Income	96.19
Cash & money market	3.81
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, Government Investment Issues and/or bonds that are issued directly by Government of Malaysia with more than 10 years remaining to maturity at the point of purchase of such bonds. The portfolio duration is actively managed based on macroeconomic conditions, market trends, and available investment opportunities.

Market Review

For the period under review, USTs experienced a volatile trading environment hitting a high of 4.49% in April driven by a “Sell America” sentiment coupled with long-term viability of US debt; to a low of 3.99% amidst tariff-related uncertainty. While jobless claims and home sales data showed minimal tariff impact, sentiment gauges like Fed surveys and PMIs pointed to weakening business activity. Several voting FOMC members have struck a dovish tone, indicating potential rate cuts conditional to labour market conditions and characterising tariff-induced inflation as temporary.

The US tariff trade war remain an evolving situation – with the ultimate consensus being a slowdown in global growth suggesting easier monetary policy conditions. The path for inflation in the US remains uncertain, with inflation likely rising however lower energy prices, stronger EM FX and China trade diversion could prove deflationary for the rest of the world. Bilateral trade deals offering tariff relief and clarity on future tariff policy remain key.

Domestically, local government bonds (MGS/GII) saw lower yields across the curve, led by the short end to belly as softer inflation and slower growth reinforced speculation of a possible BNM rate cut as early as July. This translated to lower local bond market yields in both government bonds and private debt securities as corporate spreads trade to historical tight due to strong demand and ample domestic liquidity.

Malaysia's GDP grew 4.4% y/y in 1Q25 (4Q24: 4.9%), slightly below consensus (4.5%) but above the 8-quarter average. Growth was driven by firm consumption, steady investments, and front-loaded exports, though dampened by weak private investment, softer sectoral output, and lower O&G production. Meanwhile, Malaysia's April CPI remained steady at 1.4% y/y in April, bringing the YTD April to 1.5%, in line with market expectations, while core CPI increase slightly to 2.0% y/y (Mar: CPI +1.4% y/y, core CPI +1.9%). Overall, inflation remains subdued amid modest cost conditions and lack of demand-driven pressures.

Investment Outlook

Global bond markets going into 2H25 are poised to navigate a complex landscape of fiscal policy decisions, trade dynamics, and monetary policy considerations, all of which will play pivotal roles in shaping yield movements and investor strategies. UST yields are expected to stay volatile amid persistent policy and economic uncertainty. Volatility is likely to persist, driven by tariff-related policy debates and fiscal expansion risks. The Fed is expected to remain hawkish, with only two rate cuts projected for 2025 as inflation stays above the 2% target and growth remains firm. Market will focus on FOMC guidance and June CPI data, as a surprise inflation uptick could delay easing. Policy risks—such as tariffs and immigration limits—may further fuel inflation, pushing yields higher, especially at the long end. While recession risks are rising (estimated at 45–60%), traditional safe-haven flows into Treasuries have been muted, reflecting shifting dynamics tied to fiscal sustainability and debt refinancing pressures.

Nevertheless, the Malaysia bond market is poised for cautious optimism, supported by robust domestic fundamentals, though tempered by external pressures from US reciprocal trade tariffs. BNM signalled a growing bias toward OPR easing amidst escalating trade tensions and external growth risk, while downplaying inflationary risks from the retargeted fuel subsidy, reinforcing its focus on supporting growth stability. MGS yields are likely to trend lower, tracking US Treasury yield declines, but face risks of divergence due to trade-related uncertainties. The U.S. imposition of reciprocal tariffs, 24% tariff on US imports from Malaysia, has introduced significant external risks for Malaysia. Although a 90-day pause was announced in April, the potential for renewed trade tensions remains. The imposition of will likely tilt BNM's assessment of the balance of risks to the downside, with the channel of impact likely coming via weaker direct exports to the US and indirectly via slower global trade & GDP growth, and other supply chain spillovers. Nevertheless, escalating trade tensions have shifted the risk balance toward weaker domestic growth and manageable inflation, lowering the bar for a potential 25bps rate cut in 2H25—possibly as early as July.

Despite external uncertainties, we remain constructive on Malaysian fixed income asset class, supported by (1) ample domestic liquidity (2) safe-haven flows, and (3) dovish tilt by central banks (globally and domestically) as growth is expected to deteriorate.

With that in mind, we remain comfortable to overweight portfolio duration and corporate bonds while we continuously monitor ongoing developments.

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2025

	Financial period ended 30.4.2025 RM	Financial period ended 30.4.2024 RM
INVESTMENT INCOME/ (LOSS)		
Interest income from financial asset at amortised cost	7,868	54,967
Interest income from financial asset at fair value through profit or loss	607,538	526,415
Net gain/ (loss) on financial assets fair value through profit or loss	1,089,787	(609,115)
	<u>1,705,193</u>	<u>(27,733)</u>
EXPENSES		
Management fee	(29,326)	(28,461)
Trustee fee	(4,441)	(4,271)
Fund accounting fee	(3,000)	(3,000)
Auditors' remuneration	(1,951)	(1,967)
Tax agent's fee	(854)	(861)
Other expenses	(171)	(1,215)
	<u>(39,743)</u>	<u>(39,775)</u>
NET PROFIT/ (LOSS) BEFORE TAXATION	1,665,450	(67,508)
Taxation	-	-
NET PROFIT/ (LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE FINANCIAL PERIOD	<u>1,665,450</u>	<u>(67,508)</u>
Net profit/ (loss) after taxation is made up of the following:		
Realised amount	593,993	566,811
Unrealised amount	1,071,457	(634,319)
	<u>1,665,450</u>	<u>(67,508)</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2025

	<u>2025</u> RM	<u>2024</u> RM
ASSETS		
Cash and cash equivalents	1,646,409	14,491,450
Amount due to Manager		
- creation of units	-	247,940
Financial assets at fair value through profit or loss	60,118,685	43,830,507
TOTAL ASSETS	<u>61,765,094</u>	<u>58,569,897</u>
LIABILITIES		
Amount due to Manager		
- management fee	10,108	9,566
Amount due to Trustee	1,516	1,435
Fund accounting fee	1,000	1,000
Auditors' remuneration	9,951	1,968
Tax agent's fee	4,354	4,361
Other payables and accruals	278	466
TOTAL LIABILITIES	<u>27,207</u>	<u>18,796</u>
NET ASSET VALUE OF THE FUND	<u>61,737,887</u>	<u>58,551,101</u>
EQUITY		
Unitholders' capital	56,894,324	55,762,883
Retained earnings	4,843,563	2,788,218
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>61,737,887</u>	<u>58,551,101</u>
NUMBER OF UNITS IN CIRCULATION	<u>55,374,000</u>	<u>54,299,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>1.1149</u>	<u>1.0783</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2025

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 February 2025	55,167,218	3,178,113	58,345,331
Total comprehensive income for the financial period	-	1,665,450	1,665,450
Movement in unitholders' capital:			
Creation of units arising from applications	4,935,038	-	4,935,038
Cancellation of units	(3,207,932)	-	(3,207,932)
Balance as at 30 April 2025	<u>56,894,324</u>	<u>4,843,563</u>	<u>61,737,887</u>
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>

AHAM Asset Management Berhad

Registration No: 199701014290 (429786-T)

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