



QUARTERLY REPORT
31 January 2024

AHAM World Series – **Strategic Bond Fund**

MANAGER
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TRUSTEE
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AHAM WORLD SERIES – STRATEGIC BOND FUND

Quarterly Report and Financial Statements As at 31 January 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – Strategic Bond Fund
Fund Type	Growth
Fund Category	Feeder (wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over long term period.
Benchmark	Bloomberg Barclays Global Aggregate (USD hedged)
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

FUND PERFORMANCE DATA

USD Class

Category	As at 31 Jan 2024	As at 31 Oct 2023
Total NAV (USD'million)	0.004	0.003
NAV per Unit (USD)	0.3658	0.3470
Unit in Circulation (million)	0.010	0.010

MYR Hedged-class

Category	As at 31 Jan 2024	As at 31 Oct 2023
Total NAV (RM'million)	0.569	0.392
NAV per Unit (RM)	0.3753	0.3576
Unit in Circulation (million)	1.517	1.096

SGD Hedged-class

Category	As at 31 Jan 2024	As at 31 Oct 2023
Total NAV (SGD'million)	0.004	0.003
NAV per Unit (SGD)	0.3580	0.3395
Unit in Circulation (million)	0.010	0.010

AUD Hedged-class

Category	As at 31 Jan 2024	As at 31 Oct 2023
Total NAV (AUD'million)	0.004	0.003
NAV per Unit (AUD)	0.3510	0.3325
Unit in Circulation (million)	0.010	0.010

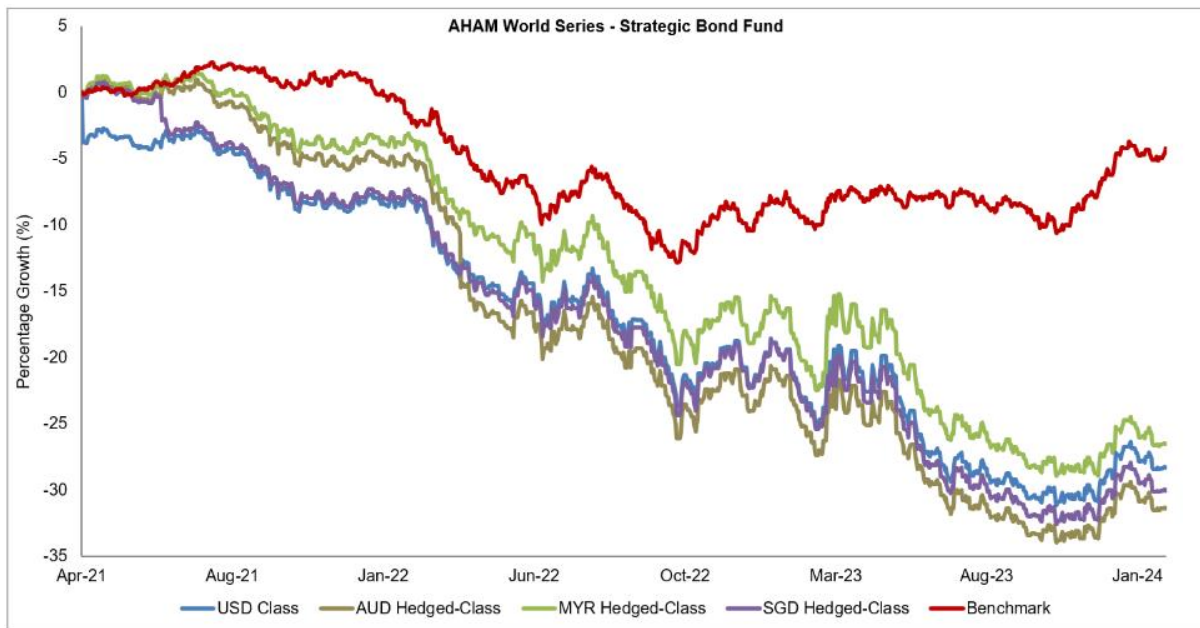
Fund Performance

Table 1: Performance as at 31 January 2024

	3 Months (1/11/23 - 31/1/24)	6 Months (1/8/23 - 31/1/24)	1 Year (1/2/23 - 31/1/24)	Since Commencement (2/4/21 - 31/1/24)
Benchmark	6.53%	3.82%	4.53%	(4.20%)
USD Class	3.29%	0.87%	(10.31%)	(28.32%)
Outperformance	(3.24%)	(2.95%)	(14.84%)	(24.12%)
AUD Hedged-Class	3.19%	0.12%	(11.91%)	(31.38%)
Outperformance	(3.34%)	(3.70%)	(16.44%)	(27.18%)
MYR Hedged-Class	2.71%	(0.60%)	(11.52%)	(26.54%)
Outperformance	(3.82%)	(4.42%)	(16.05%)	(22.34%)
SGD Hedged-Class	3.03%	(0.20%)	(12.35%)	(30.04%)
Outperformance	(3.50%)	(4.02%)	(16.88%)	(25.84%)

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: Bloomberg Barclays Global Aggregate (USD hedged)

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:

	31 January 2024
	(%)
Unit Trust	98.54
Derivative	-1.95
Cash & money market	3.41
Total	100.00

Income Distribution Breakdown

No income distribution or unit split were declared for the financial period ended 31 January 2024.

Strategies Employed

The Target Fund invests across the fixed income spectrum, taking a global, unconstrained approach in order to deliver returns from the full range of fixed income instruments. We believe it differs from its peers as it has four core global drivers of alpha, rather than domestic ones, namely duration, credit, foreign exchange (FX) and inflation.

The Target Fund targets a low correlation with equities so that it behaves like a true bond fund and plays the role in diversifying investors' portfolios that bonds should.

The Target Fund aims to outperform the global bond market over a three year investment horizon, and we have chosen one of the broadest bond benchmarks to reflect this - Barclays Global Aggregate (hedged to Sterling) Index.

Market Review

The United States demonstrated remarkable economic strength, setting a positive tone for 2024. The S&P 500 index reached new heights, propelled by robust economic indicators that reinforced the narrative of a soft landing. The economy's growth exceeded expectations, with GDP expanding by 3.30% in the fourth quarter of 2023, a figure significantly higher than the forecasted 2.00%. The labour market echoed this strength, with January's nonfarm payrolls surpassing anticipations and the unemployment rate maintaining a steady posture better than estimates. However, this raft of strong economic data recalibrated expectations around the Federal Reserve's monetary policy. Initially anticipated rate cuts were reconsidered, as the Fed, during its January FOMC meeting, opted for a cautious approach by keeping benchmark rates unchanged. This decision was influenced by the need for more concrete evidence of inflation easing, leading to a slight uptick in US Treasury yields.

In contrast, Asia faced its set of economic challenges, with China at the forefront of market attention. The broader MSCI Asia ex-Japan index suffered due to pressures from higher bond yields, as rate cut bets were dialed back. China, in particular, experienced significant market sell-off, with the MSCI China index sliding notably. This was a reaction to its GDP data for the fourth quarter of 2023 and December's retail sales both falling short of estimates, which compounded concerns over its domestic economic struggles. In response, the People's Bank of China announced a policy measure aimed at stimulating growth - a 50 basis points cut in the reserve ratio requirements (RRR) for banks. However, the lack of more forceful stimulus measures to rejuvenate economic growth dampened the initial positive market reaction.

Malaysia's economy and policy landscape presented another layer to the regional narrative. The country's GDP growth for the fourth quarter of 2023 and the full year undershot expectations, with specific sectors like mining, manufacturing, and construction exhibiting slower growth. In a significant development, Malaysia and Singapore signed a Memorandum of Understanding on the establishment of a Johor-Singapore Special Economic Zone (JS-SEZ), aiming at bolstering economic ties through initiatives like a passport-free clearance system and investments in renewable energy. Additionally, the Malaysian government's

introduction of the Central Database Hub (Padu) is poised to streamline the implementation of targeted subsidies, reflecting an effort to optimize subsidy distribution and reduce governmental expenditure on subsidies.

Investment Outlook

Within equities, we anticipate overweighting Taiwan and Korea tech sectors due to their strong earnings growth potential, driven by the cyclical rebound and their significant exposure to the AI theme. Both countries have established themselves as key players in the global technology supply chain, and could be well-positioned to capitalize on the increasing demand for advanced technological solutions. In India and Indonesia, the focus will be on banks, industrials, and consumer sectors, recognizing their growth potential within the respective economies. These sectors are poised to benefit from favorable demographic trends, rising consumer spending, and infrastructure development initiatives. Additionally, we see opportunities for value creation and market outperformance in these areas. Conversely, we are adopting an underweight stance on China and Hong Kong until there is clarity on policies aimed at stabilizing the property sector, which is currently experiencing a decline. Uncertainty surrounding regulatory measures and the potential impact on property developers and related industries necessitates a cautious approach in these markets.

On fixed income, we maintain our positive outlook in 2024 as global growth is expected to moderate on the back of restrictive monetary policies and rising geopolitical tension. Volatility is expected to persist but at a tighter range compared to 2023. Although inflation expectations have peaked, inflationary environment may persist driven by elevated commodity prices. The first half of 2024 appeared to be a smoother runway relative to the second half amid dovish sentiment and less political/policy uncertainties.

With that in mind, we expect yields to be range-bound with a downward skew in the near-term, but cautious on front-loaded rate cut expectations at the global space. The short-end of the curve looks more vulnerable to external shocks such as short-term Treasury yields foreign exchange fluctuations, while the long-end of the curve looks unattractive due to the flatness of the curve. Hence the 6 to 10-year Malaysia Government Securities ("MGS")/Government Investment Issue ("GII") offer better risk-adjusted return in our opinion.

AHAM WORLD SERIES – STRATEGIC BOND FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES – STRATEGIC BOND FUND)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024

	Financial period ended <u>31.1.2024</u> USD	Financial period ended <u>31.1.2023</u> USD
INVESTMENT LOSS		
Net gain on foreign currency exchange	289	19
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss	(5,997)	2,876
Net gain/(loss) on financial assets at fair value through profit or loss	1,048	(9,144)
	<u>(4,660)</u>	<u>(6,249)</u>
EXPENSES		
Management fee	(516)	(609)
Trustee fee	(20)	(23)
Other expenses	(371)	(385)
	<u>(907)</u>	<u>(1,017)</u>
NET LOSS BEFORE TAXATION	(5,567)	(7,266)
Taxation	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(5,567)</u>	<u>(7,266)</u>
Decrease of net asset attributable to unitholders is made up of the following:		
Realised amount	(3,033)	(3,640)
Unrealised amount	(2,534)	(3,626)
	<u>(5,567)</u>	<u>(7,266)</u>

AHAM WORLD SERIES – STRATEGIC BOND FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES – STRATEGIC BOND FUND)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024

	<u>2024</u> USD	<u>2023</u> USD
ASSETS		
Cash and cash equivalents	4,270	2,863
Amount due from broker	-	4,067
Amount due from Manager		
- management fee rebate receivable	96	86
Financial assets at fair value through profit or loss	123,174	111,108
Forward foreign currency contracts at fair value through profit or loss	-	502
TOTAL ASSETS	<u>127,540</u>	<u>118,626</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	2,432	755
Amount due to Manager		
- management fee	108	100
Amount due to Trustee	4	4
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>2,544</u>	<u>859</u>
NET ASSET VALUE OF THE FUND	<u>124,996</u>	<u>117,767</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>124,996</u>	<u>117,767</u>

AHAM WORLD SERIES – STRATEGIC BOND FUND
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024 (CONTINUED)

	<u>2024</u> USD	<u>2023</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	2,258	2,731
- MYR Hedged-class	116,543	108,009
- SGD Hedged-class	2,611	3,031
- USD Class	3,584	3,996
	<u>124,996</u>	<u>117,767</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	10,000	10,000
- MYR Hedged-class	1,501,000	1,110,000
- SGD Hedged-class	10,000	10,000
- USD Class	10,000	10,000
	<u>1,531,000</u>	<u>1,140,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.2258	0.2731
- MYR Hedged-class	0.0776	0.0973
- SGD Hedged-class	0.2611	0.3031
- USD Class	0.3584	0.3996
	<u>0.2258</u>	<u>0.2731</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.3431	AUD0.3895
- MYR Hedged-class	RM0.3673	RM0.4151
- SGD Hedged-class	SGD0.3498	SGD0.3991
- USD Class	USD0.3584	USD0.3996
	<u>AUD0.3431</u>	<u>AUD0.3895</u>

AHAM WORLD SERIES – STRATEGIC BOND FUND
(FORMERLY KNOWN AS AFFIN HWANG WORLD SERIES – STRATEGIC BOND FUND)

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024

	Financial period ended <u>31.1.2024</u> USD	Financial period ended <u>31.1.2023</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	98,380	138,879
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	34,563	-
- AUD Hedged-class	-	-
- MYR Hedged-class	34,563	-
- SGD Hedged-class	-	-
- USD Class	-	-
Cancellation of units	(2,380)	(13,846)
- AUD Hedged-class	-	-
- MYR Hedged-class	(2,380)	(13,846)
- SGD Hedged-class	-	-
- USD Class	-	-
Net decrease in net assets attributable to unitholders during the financial period	(5,567)	(7,266)
- AUD Hedged-class	(38)	(204)
- MYR Hedged-class	(5,535)	(6,665)
- SGD Hedged-class	(25)	(77)
- USD Class	31	(320)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>124,996</u>	<u>117,767</u>

AHAM Asset Management Berhad

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