

QUARTERLY REPORT

31 March 2024

AHAM
World Series -
Global Corporate
Bond Fund

MANAGER

AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE

TMF Trustees Malaysia Berhad
(200301008392 [610812-W])

AHAM WORLD SERIES – GLOBAL CORPORATE BOND FUND

Quarterly Report and Financial Statements As at 31 March 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – Global Corporate Bond Fund
Fund Type	Income
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks provide regular income over medium to long term period.
Benchmark	Bloomberg Global Aggregate Corporate Index (Total Return Gross)
Distribution Policy	Subject to the availability of income, the Fund will make distribution to the Unit Holders on a monthly basis. However, the amount of income available for distribution may fluctuate from month to month.

FUND PERFORMANCE DATA

MYR Hedged-Class

Category	As at 31 Mar 2024	As at 31 Dec 2023
Total NAV (million)	6.205	1.197
NAV per Unit (RM)	0.5212	0.5274
Unit in Circulation (million)	11.906	2.270

SGD Hedged-Class

Category	As at 31 Mar 2024	As at 31 Dec 2023
Total NAV (million)	0.106	0.005
NAV per Unit (SGD)	0.5156	0.5231
Unit in Circulation (million)	0.205	0.010

MYR Class

Category	As at 31 Mar 2024	As at 31 Dec 2023
Total NAV (million)	15.732	14.152
NAV per Unit (AUD)	0.5350	0.5233
Unit in Circulation (million)	29.406	27.045

USD Class

Category	As at 31 Mar 2024	As at 31 Dec 2023
Total NAV (million)	1.255	0.757
NAV per Unit (USD)	0.5251	0.5284
Unit in Circulation (million)	2.391	1.433

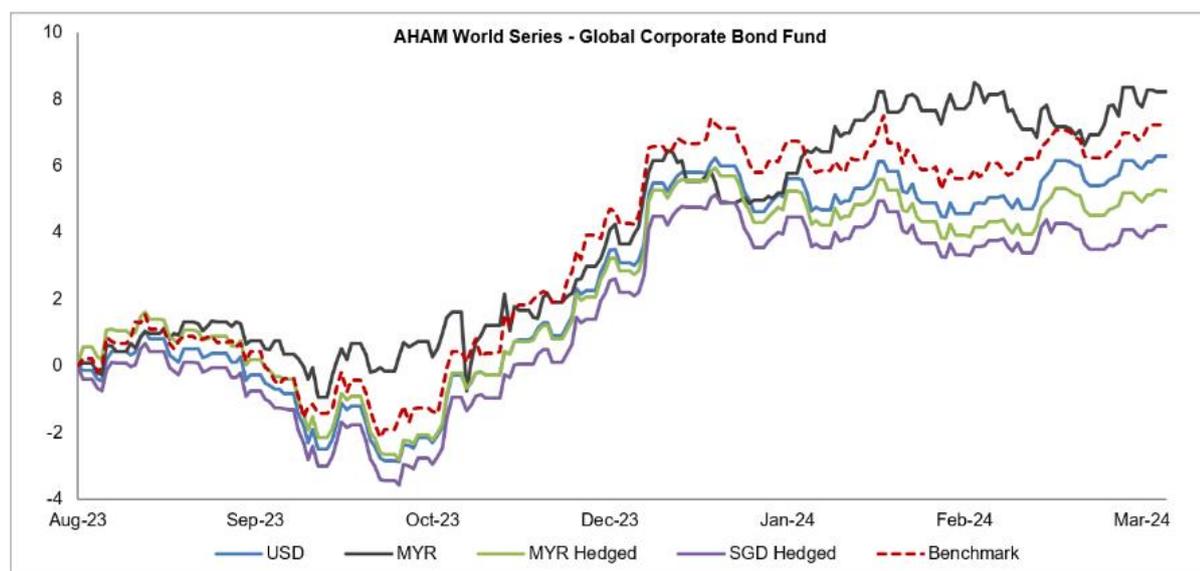
Fund Performance

Performance as at 31 March 2024

	3 Months (1/1/24 - 31/3/24)	6 Months (1/10/23 - 31/3/24)	Since Commencement (18/8/23 - 31/3/24)
Benchmark	0.10%	7.64%	7.24%
USD	0.27%	7.17%	6.29%
Outperformance	0.17%	(0.47%)	(0.95%)
MYR	3.17%	7.84%	8.23%
Outperformance	3.07%	0.20%	0.99%
MYR Hedged	(0.42%)	5.68%	5.25%
Outperformance	(0.52%)	(1.96%)	(1.99%)
SGD Hedged	(0.66%)	5.59%	4.20%
Outperformance	(0.76%)	(2.05%)	(3.04%)

Source of Benchmark: Bloomberg

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 Global Aggregate Corporate Index (Total Return Gross)

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 March 2024
	(%)
Unit Trust	97.89
Derivative	-0.13
Cash & money market	2.24
Total	100.00

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2024-03-22	0.1770	100	-	-
	2024-02-22	0.1790	100	-	-
	2024-01-22	0.1300	100	-	-
MYR- Hedged	2024-03-22	0.0900	100	-	-
	2024-02-22	0.1730	100	-	-
	2024-01-22	0.1350	100	-	-
SGD- Hedged	2024-03-22	0.0900	100	-	-
	2024-02-22	0.1720	100	-	-
	2024-01-22	-	-	0.1400	100
USD	2024-03-22	0.1740	100	-	-
	2024-02-22	0.1740	100	-	-
	2024-01-22	0.1230	100	-	-

Strategies Employed

The Target Fund employs a credit-focused, bottom-up stock selection strategy. Portfolio managers use research analysts' insights and valuations to assign a credit bias (overweight, neutral, underweight) to each sector within different regions. Analysts then delve deeper, evaluating individual companies' creditworthiness through fundamental analysis and ESG factors, alongside valuations relative to their sector. Based on this combined analysis, each security receives a credit rating indicating its investment potential (outperform, underperform, avoid).

Market Review

This quarter, the Target Fund made strategic adjustments that delivered positive results. The Target Fund Managers reduced their underweight position in credit risk compared to the benchmark, indicating a calculated increase in exposure to potentially higher-yielding but riskier assets. This decision, coupled with their increased focus on overweighting duration-times-spread (DTS), a measure of interest rate sensitivity, contributed to exceeding the benchmark's yield and spread. The overweight DTS position itself played a key role in the target fund's outperformance.

The Target Fund Managers also saw success with their high-yield allocation, which initially contributed to excess returns. However, they strategically decreased this allocation throughout January, with the current high-yield exposure sitting at 4.7%. This reflects a quality-focused approach, where they utilise the middle rating from S&P, Fitch, and Moody's for categorization.

Looking deeper, the sector weightings proved to be a mixed bag. Overweighting banking and real estate investment trusts (REITs) – based on their spread duration – paid off, contributing to the outperformance. Conversely, underweighting consumer cyclical sectors also proved beneficial. However, the underweight position in consumer non-cyclical sectors detracted from excess returns.

At the individual issuer level, the strategic overweights to Intesa Sanpaolo, Caixa Bank, and Enel were significant contributors to performance. Unfortunately, some overweights, such as Charter Communications Operating and General Electric, underperformed relative to the benchmark. Similarly, while the underweight in consumer cyclicals benefited the target fund, the underweight position in the insurance sector hindered excess returns. Overall, the Target Fund Manager's focus on credit quality and calculated risk-taking through high-yield allocation and DTS positioning, combined with strategic sector weighting and issuer selection, resulted in a successful quarter for the fund.

Investment Outlook

Global investment grade company fundamentals remain resilient. In the US, the soft-landing environment continues on the back of above-trend growth and robust employment data. In Europe, growth and inflation recently surprised to the upside, although from lower expectations. The Target Fund Managers do not think these are significant enough to warrant a change to their view, especially given noisy seasonal adjustments. In the US, half of companies have reported their fourth-quarter 2023 results so far. Revenues are coming in ahead of expectations and represent an acceleration from the previous quarter, while EBITDA is below expectations. The Target Fund Managers see margin expansion for the second quarter in a row from EBITDA outpacing revenue growth and improving leverage. In Europe, non-financials are expected to share low- to mid-single-digit growth in pricing compared to the exceptionally high growth of 2023.

Technicals in the US and Europe remain supportive. On the demand side, consistent flows have supported the investment grade market after a very heavy issuance month in January, where deals were able to price with minimal concession. In Europe, flows were exceptionally strong for the month of January, with 12 weeks' sequential inflows with an average weekly inflow of EUR 2 billion per week. The Target Fund Managers expect February issuance to be less skewed towards financials, with more industrials coming to market.

Spreads have continued to grind tighter across markets. Despite this tighter spread environment, the Target Fund Managers continue to find pockets of value across the investment grade universe. All-in yields remain attractive compared to historical levels, and they find value in the lower BBB bucket, in additional tier one capital debt and in European investment grade, which trades wide to US investment grade spreads.

Global investment grade company fundamentals remain resilient. In the US, the Target Fund Managers continue to see above-trend growth and robust employment data and remain confident in a soft landing over a recession scenario. They acknowledge that growth surprised to the upside in the fourth quarter of 2023 but expect it to continue decelerating sequentially in the coming quarters. US corporate fundamentals continue to exhibit resilience at this stage of the economic cycle. Revenues came in ahead of expectations, and, although EBITDA was below expectations, it represents a continued acceleration since its trough in the middle of last year. In Europe, the Target Fund Managers have adopted a generally more defensive approach to absorb potential headwinds such as a mixed volume backdrop. They expect technicals to be supportive for the coming month.

Both the US and Europe continue to experience strong demand as seen through weekly flows. These inflows have supported the investment grade market after a record issuance month in February, where deals were able to price with minimal concession. While March is historically a heavy supply month, The Target Fund Managers are expecting supply to be more manageable compared to January and February. While spreads are tight, they have the potential to remain at those levels for elongated periods of time based on historical data. Furthermore, we continue to see investment grade credit as attractive on a yield basis, with all-in yields of 5.3% representing the 93th percentile of attractiveness since 2008. The Target Fund Managers expect this attractive entry point to continue to bring yield buyers into the sector.

AHAM WORLD SERIES - GLOBAL CORPORATE BOND FUND

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

Financial
period ended
31.3.2024
USD

INVESTMENT INCOME

Dividend income	56,816
Interest income from financial assets at amortised cost	691
Net loss on foreign currency exchange	(5,041)
Net loss on forward foreign currency contracts at fair value through profit or loss	(9,681)
Net gain on financial assets at fair value through profit or loss	198,033
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	240,818
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EXPENSES

Management fee	(34,349)
Trustee fee	(1,377)
Fund accounting fee	(1,781)
Other expenses	(492)
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	(37,999)
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NET PROFIT BEFORE FINANCE COST AND TAXATION

202,819

FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)

Distribution	(54,490)
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NET PROFIT BEFORE TAXATION

148,329

Taxation

-

INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

148,329

Net profit after taxation is made up of the following:

Realised amount	11,345
Unrealised amount	136,984
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	148,329
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AHAM WORLD SERIES - GLOBAL CORPORATE BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

2024
USD

ASSETS

Cash and cash equivalents	128,938
Amount due from Manager	
- creation of units	10,729
- management fee rebate receivable	2,502
Financial assets at fair value through profit or loss	5,852,677
TOTAL ASSETS	5,994,846

LIABILITIES

Forward foreign currency contracts at fair value through profit or loss	7,727
Amount due to broker	4
Amount due to Manager	
- management fee	7,476
Amount due to Trustee	299
Fund accounting fee	253
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	15,759

NET ASSET VALUE OF THE FUND **5,979,087**

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS **5,979,087**

AHAM WORLD SERIES - GLOBAL CORPORATE BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONTINUED)

2024
USD

REPRESENTED BY:

FAIR VALUE OF OUTSTANDING UNITS

- MYR class	3,331,391
- MYR Hedged-class	1,313,975
- SGD Hedged-class	78,316
- USD class	1,255,405
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	5,979,087
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NUMBER OF UNITS IN CIRCULATION

- MYR class	29,406,000
- MYR Hedged-class	11,906,000
- SGD Hedged-class	205,000
- USD class	2,391,000
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	43,908,000
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NET ASSET VALUE PER UNIT (USD)

- MYR class	0.1133
- MYR Hedged-class	0.1104
- SGD Hedged-class	0.3820
- USD class	0.5251
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NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES

- MYR class	RM0.5350
- MYR Hedged-class	RM0.5212
- SGD Hedged-class	SGD0.5156
- USD class	USD0.5251
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AHAM WORLD SERIES - GLOBAL CORPORATE BOND FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Financial
period ended
31.3.2024
USD

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH

-

Movement due to units created and cancelled during
the financial period:

Creation of units arising from applications

6,633,797

- MYR class
- MYR Hedged-class
- SGD Hedged-class
- USD class

3,657,589
1,443,249
78,549
1,454,410

Creation of units arising from distributions

49,497

- MYR class
- MYR Hedged-class
- SGD Hedged-class
- USD class

30,030
6,808
136
12,523

Cancellation of units

(852,536)

- MYR class
- MYR Hedged-class
- SGD Hedged-class
- USD class

(465,521)
(136,343)
-
(250,672)

Net increase in net asset attributable to
unitholders during the financial period

148,329

- MYR class
- MYR Hedged-class
- SGD Hedged-class
- USD class

109,293
261
(369)
39,144

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD

5,979,087

AHAM Asset Management Berhad

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