



QUARTERLY REPORT
31 March 2024

AHAM USD Cash Fund

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
Deutsche Trustees Malaysia Berhad
(763590-H)

Built On Trust

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AHAM USD CASH FUND

Quarterly Report and Financial Statements As at 31 March 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM USD Cash Fund
Fund Type	Income
Category	Money Market Wholesale (open-ended)
Objective	The Fund seeks to provide investors with a regular income stream and liquid access to their investments
Benchmark	The Fund shall benchmark itself against the Malayan Banking Berhad Foreign Currency Account Overnight USD rate
Distribution Policy	Subject to the availability of income, the Fund will distribute income on a monthly basis.

FUND PERFORMANCE DATA

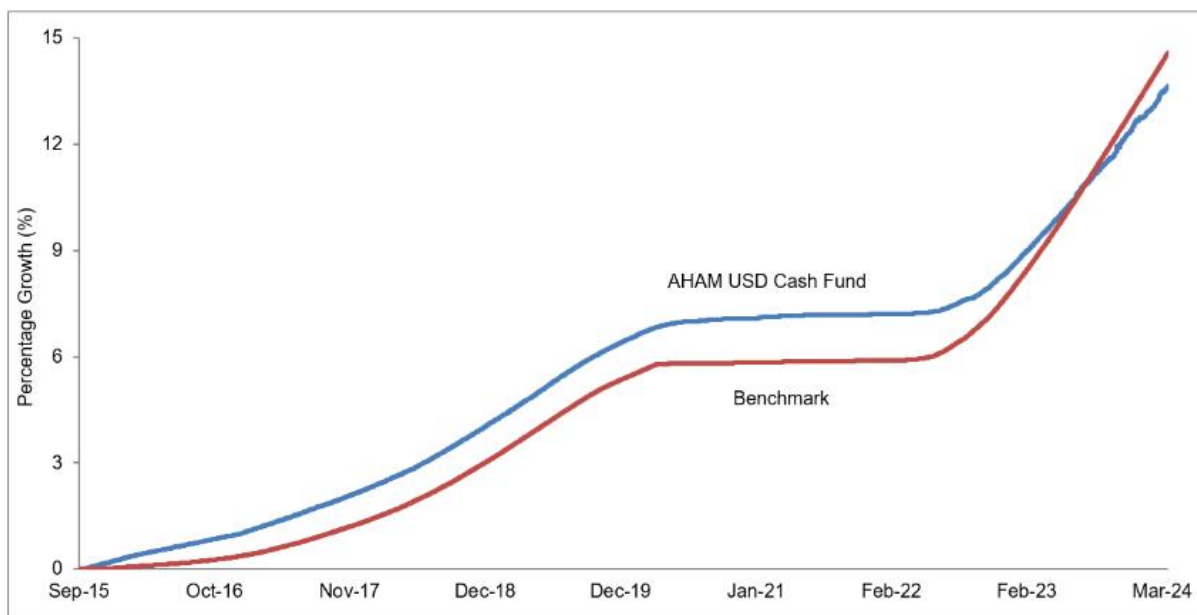
Category	As at 31 Mar 2024	As at 31 Dec 2023
Total NAV (USD'million)	13.302	13.363
NAV per Unit (USD)	1.0791	1.0704
Unit in Circulation (million)	12.327	12.485

Performance as at 31 March 2024

	3 Months (1/1/24 - 31/3/24)	6 Months (1/10/23 - 31/3/24)	1 Year (1/4/23 - 31/3/24)	3 Years (1/4/21 - 31/3/24)	5 Years (1/4/19 - 31/3/24)	Since Commencement (1/10/15 - 31/3/24)
Fund	0.84%	1.99%	3.90%	6.06%	8.45%	13.64%
Benchmark	1.28%	2.60%	5.17%	8.25%	10.43%	14.59%
Outperformance	(0.44%)	(0.61%)	(1.27%)	(2.19%)	(1.98%)	(0.95%)

Source of Benchmark: Maybank

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 Maybank."
 Benchmark: Malayan Banking Berhad Foreign Currency Account Overnight USD rate

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
	(%)
Cash & money market	100.00
Total	100.00

Breakdown of Distribution

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
USD	27-Mar-24	0.0100	100	-	-
USD	28-Feb-24	0.0100	100	-	-
USD	24-Jan-24	0.0100	100	-	-

Strategies Employed

The Manager maintained a high level of investment in USD-denominated deposit placements to provide investors with regular income stream and liquid access to their respective investments.

Market Review

To provide a broad overview of the markets over the period under review, the Standard and Poor's ("S&P") 500 Index returned 10.43% with the Morgan Stanley Capital International ("MSCI") World index slightly behind at 8.92% on a total return basis. Specific to the Asian region, MSCI AC Asia ex Japan Index saw a relatively weaker return of 1.79% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") fared better at 7.03% in Ringgit terms. Within bond markets, Bloomberg Barclays Global Aggregate Index returned -2.07% while domestically, the bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.85%.

The United States ("US") Federal Reserve ("Fed") conducts monetary policy by setting a target range for the federal funds rate, which does not directly affect firms and household in the economy. Instead, monetary policy effect cascades to the broader economy by affecting financial conditions including the longer-term interest rates and the exchange value of the dollar. Analysts posit that the Fed's actions of supporting the US economy during the peak of the coronavirus crisis by initiating large purchases of US government and mortgage-backed securities, lending to support household and employers could have been overdone and led to the unwelcome surge in increased inflationary pressures. The Fed has been engaging in a tightening monetary policy stance throughout 2023 to address said inflationary pressures, only relenting towards the end of 2023 when signs of tighter policy was slowing down the economy. Unprecedented global events that unfolded in 2023 also contributed to the Fed's challenge in reigning in inflation rates.

The bond market experienced dynamic shifts, influenced by factors such as inflation concerns, central bank policies, and global economic conditions. The second quarter of 2023 witnessed a decline in market volatility, accompanied by a rise in government bond yields, albeit with some divergence among countries. The United Kingdom ("UK") and Australia underperformed due to higher-than-expected inflation, leading to more aggressive actions by central banks to combat inflation. The Fed paused its consecutive rate increases after more than a year, marking a notable shift in monetary policy. Corporate balance sheets remained relatively strong, despite an uptick in default rates, and global high yield outperformed investment grade bonds. At the start of second half of 2023, the US economy displayed resilience, with signs of improvement in the manufacturing sector and a relatively robust labour market. However, concerns over rising US debt issuance and a downgrade in the US credit rating by Fitch Ratings weighed on the Treasury market. Despite a significant rise in oil prices, inflationary pressures eased in most economies, allowing major central banks to signal a pause in further rate hikes. The last quarter of 2023 was marked by a perceived shift in monetary policy direction, with central banks adopting a more dovish tone leading to a rally in government bond markets, with yields falling sharply and credit markets outperforming government bonds. Despite a slowing growth outlook, corporate bonds staged an impressive rally on hopes of averting a deep recession. The first quarter of 2024 saw a significant shift in inflation and interest rate expectations, with markets initially anticipating faster central bank action to lower rates. However, expectations were scaled back, with central banks proceeding with caution and avoiding premature declarations of victory over inflation. Global economic activity showed signs of improvement, particularly in the US, eurozone, and China, although inflation remained a central concern.

Investment Outlook

Economic growth is projected to experience a gradual decline throughout the year. This anticipated slowdown reflects broader macroeconomic adjustments and a return to more sustainable growth rates following recent periods of volatility. Concurrently, inflation is expected to continue its downward trajectory, although the journey to the target rate of 2% might be prolonged.

Monetary policy remains a critical driver of market dynamics, with central banks acknowledging the lag effect inherent in their policy measures. Currently, interest rates are deemed to be at reasonable levels, and central banks appear inclined to maintain this status quo, allowing the existing policies to fully permeate the economy.

With the aggressive phase of policy tightening now behind us, the environment is becoming more conducive to fixed income investments. Historically, bonds have performed well in declining interest rate environments, offering attractive opportunities for investors seeking stability and income. In this context, a clear preference emerges for Investment Grade bonds over High Yield bonds.

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

	Financial period ended 31.3.2024 USD	Financial period ended 31.3.2023 USD
INVESTMENT INCOME		
Interest income from financial assets at fair value through profit or loss	377,083	684,478
Net (loss)/gain on foreign currency exchange	(3,252)	4,188
	<u>373,831</u>	<u>688,666</u>
EXPENSES		
Management fee	(8,147)	(19,527)
Trustee fee	(2,063)	(4,702)
Fund accounting fee	(1,271)	(1,557)
Auditors' remuneration	(743)	(751)
Tax agent's fee	(371)	(375)
Other expenses	(566)	(1,157)
	<u>(13,161)</u>	<u>(28,069)</u>
NET PROFIT BEFORE TAXATION	360,670	660,597
Taxation	(89,981)	(163,821)
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>270,689</u>	<u>496,776</u>
Net profit after taxation is made up of the following:		
Realised amount	273,913	473,655
Unrealised amount	(3,224)	4,223
	<u>270,689</u>	<u>496,776</u>

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	<u>2024</u> USD	<u>2023</u> USD
ASSETS		
Cash and cash equivalents	27,394	4,064
Financial asset at fair value through profit or loss	13,011,481	35,905,676
Tax recoverable	270,641	-
TOTAL ASSETS	<u>13,309,516</u>	<u>35,909,740</u>
LIABILITIES		
Amount due to Manager - management fee	1,692	4,656
Amount due to Trustee	338	931
Fund accounting fee	212	227
Auditors' remuneration	835	844
Tax agent's fee	1,191	1,215
Tax payable	-	123,958
Distribution payable	1,233	-
Other payables and accruals	2,122	2,131
TOTAL LIABILITIES	<u>7,623</u>	<u>133,962</u>
NET ASSET VALUE OF THE FUND	<u>13,301,893</u>	<u>35,775,778</u>
EQUITY		
Unitholders' capital	10,962,985	34,131,948
Retained earnings	2,338,908	1,643,830
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>13,301,893</u>	<u>35,775,778</u>
NUMBER OF UNITS IN CIRCULATION	<u>12,327,000</u>	<u>34,407,000</u>
NET ASSET VALUE PER UNIT (USD)	<u>1.0791</u>	<u>1.0398</u>

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UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Unitholders' <u>capital</u> USD	Retained <u>earnings</u> USD	<u>Total</u> USD
Balance as at 1 October 2023	12,917,282	2,075,894	14,993,176
Total comprehensive income for the financial period	-	270,689	270,689
Distributions	-	(7,675)	(7,675)
Movement in unitholders' capital:			
Creation of units arising from applications	701	-	701
Creation of units arising from distributions	7,858	-	7,858
Cancellation of units	(1,962,856)	-	(1,962,856)
Balance as at 31 March 2024	<u>10,962,985</u>	<u>2,338,908</u>	<u>13,301,893</u>
Balance as at 1 October 2022	16,115,213	1,165,952	17,281,165
Total comprehensive income for the financial period	-	496,776	496,776
Distributions	-	(18,898)	(18,898)
Movement in unitholders' capital:			
Creation of units arising from applications	33,301,294	-	33,301,294
Creation of units arising from distributions	18,898	-	18,898
Cancellation of units	(15,303,457)	-	(15,303,457)
Balance as at 31 March 2023	<u>34,131,948</u>	<u>1,643,830</u>	<u>35,775,778</u>

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