



**QUARTERLY REPORT**  
30 September 2024

# AHAM Flexi Fund 8

MANAGER  
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**Built On Trust**

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# AHAM FLEXI FUND 8

## Quarterly Report and Financial Statements As at 30 September 2024

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## QUARTERLY REPORT

### FUND INFORMATION

|                      |  |
|----------------------|--|
| Fund Name            | AHAM Flexi Fund 8  |
| Fund Type            | Growth   |
| Fund Category        | Mixed asset (Wholesale)  |
| Investment Objective | The Fund seeks to provide investors with long-term capital appreciation  |
| Benchmark            | 6.0% per annum   |
| 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<br>30 Sep 2024 | As at<br>30 Jun 2024 |
|-------------------------------|----------------------|----------------------|
| Total NAV (USD'million)       | 35.338               | 30.330               |
| NAV per Unit (USD)            | 1.0408               | 1.0151               |
| Unit in Circulation (million) | 33.954               | 29.880               |

#### SGD Class

| Category                      | As at<br>30 Sep 2024 | As at<br>30 Jun 2024 |
|-------------------------------|----------------------|----------------------|
| Total NAV (SGD'million)       | 0.001                | 0.001                |
| NAV per Unit (SGD)            | 1.0090               | 1.0417               |
| Unit in Circulation (million) | 0.001                | 0.001                |

#### MYR Class

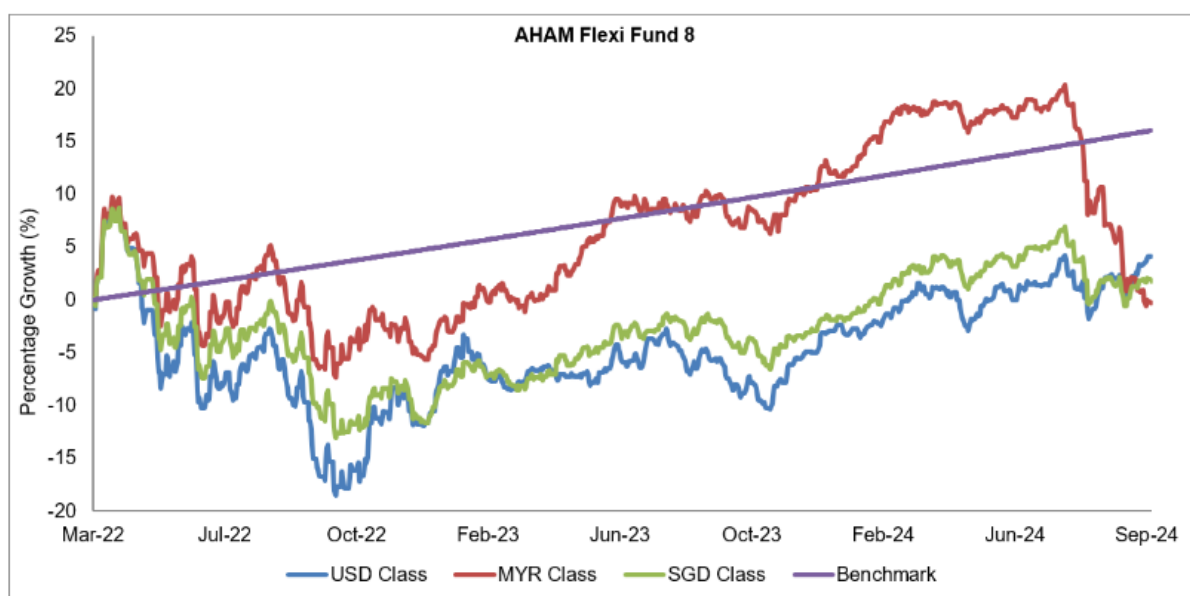
| Category                      | As at<br>30 Sep 2024 | As at<br>30 Jun 2024 |
|-------------------------------|----------------------|----------------------|
| Total NAV (RM'million)        | 0.002                | 2.643                |
| NAV per Unit (RM)             | 0.9801               | 1.1630               |
| Unit in Circulation (million) | 0.002                | 2.273                |

## **Fund Performance**

Performance as at 30 September 2024

|                | 3 Months<br>(1/7/24 -<br>30/9/24) | 6 Months<br>(1/4/24 -<br>30/9/24) | 1 Year<br>(1/10/23 -<br>30/9/24) | Since<br>Commencement<br>(14/3/22 -<br>30/9/24) |
|----------------|-----------------------------------|-----------------------------------|----------------------------------|---|
| Benchmark      | 1.48%                             | 2.96%                             | 6.02%                            | 16.04%  |
| USD Class      | 2.53%                             | 2.83%                             | 13.13%                           | 4.08%   |
| Outperformance | 1.05%                             | (0.13%)                           | 7.11%                            | (11.96%)  |
| MYR Class      | (15.73%)                          | (15.97%)                          | (7.23%)                          | (0.34%)   |
| Outperformance | (17.21%)                          | (18.93%)                          | (13.25%)                         | (16.38%)  |
| SGD Class      | (3.14%)                           | (2.38%)                           | 6.48%                            | 1.75%   |
| Outperformance | (4.62%)                           | (5.34%)                           | 0.46%                            | (14.29%)  |

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."*

Benchmark: 6.0% per annum

***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:

|                     | <u>30 September 2024</u> |
|---------------------|--------------------------|
|                     | (%)                      |
| Unit Trust          | 97.13                    |
| Cash & money market | 2.87                     |
| Total               | <u>100.00</u>            |

## **Income Distribution Breakdown**

No distribution was declared by the Fund over the financial period under review.

## **Strategies Employed**

Throughout the quarter, the Fund adopted a cautious approach in response to an unexpectedly negative inflation reading in July and weakening U.S. employment data, which heightened market concerns around a potential recession. Reflecting this outlook, the strategy reduced its exposure to thematic equities, decreasing holdings from 27% to 15%. This reduction primarily targeted high-growth segments in China and specific high-risk strategies, such as the ARK Innovation fund and semiconductor equities, in light of increased market volatility and uncertain interest rate trajectories.

In anticipation of increased volatility surrounding the U.S. election cycle and interest rate outlook, the Fund made selective allocations into defensive sectors, notably healthcare, which offer greater stability. Additionally, the Fund consolidated its holdings in quality-tilted global equity strategies, which had underperformed on a year-to-date basis, reallocating a portion of these assets into a core global equity strategy and a passive, broad-based technology index ETF. This pivot aims to provide balanced exposure while positioning for potential medium-term growth opportunities.

With the team's projection of a Fed rate cut in September, the Fund expanded its positions in Global and Asian fixed income strategies, reallocating capital from reduced thematic equity exposure. We remain comfortable with the current fixed income strategy, focusing on maintaining quality while expressing caution toward global high yield, where spreads have remained tight despite Treasury yields adjusting to a slower growth environment and weaker employment data.

## **Market Review**

Over the past quarter, global equity markets generally saw positive performance despite intermittent volatility influenced by mixed economic signals across major regions. In the U.S., investor sentiment was buoyed by anticipation of Federal Reserve rate cuts, with small-cap stocks showing notable outperformance as optimism grew around potential easing in interest rates. Among regional markets, Australian equities led with impressive gains, supported by strong domestic economic data and favorable commodity trends. In contrast, Japanese equities faced headwinds from the yen's appreciation and a domestic rate hike, which impacted export-driven sectors. Emerging markets, particularly China, responded positively to a new round of stimulus measures, lifting Chinese equities despite lingering structural challenges.

In bond markets, performance was robust, particularly within the U.S. and Australia, as inflationary pressures continued to ease, and growth projections weakened. This led investors to price in a series of expected rate cuts from the Federal Reserve, with U.S. front-end yields declining sharply in anticipation. Globally, bond yields generally trended downward, although Japan diverged, with rate hikes pushing yields higher. Credit markets remained stable; investment-grade bonds experienced tightening spreads, reflecting solid demand, while high-yield and emerging market debt exhibited moderate fluctuations as market participants balanced risk expectations against a slowing growth backdrop.

Currency markets reflected these dynamics, with the U.S. Dollar Index (DXY) declining amid rising expectations for Fed rate cuts. The Japanese yen emerged as one of the stronger performers, appreciating notably against the dollar as domestic policy shifted. Commodities presented mixed results: the Bloomberg Commodity Index advanced, driven by gains in gold and iron ore, while oil prices faced downward pressure from oversupply concerns. However, geopolitical events toward the end of the quarter triggered a slight recovery in oil prices, emphasizing the ongoing sensitivity of the commodity sector to global economic and political developments.

## **Investment Outlook**

Looking ahead, we see several structural and cyclical factors shaping our outlook. The resilience of U.S. labor markets points to continued economic strength; however, demographic shifts and a potential decrease in immigration to historical levels could introduce inflationary pressures by tightening labor supply over time. As a result, inflation expectations may remain persistently elevated, and policymakers will need to balance rate cuts with the objective of stabilizing inflation near long-term targets.

We anticipate notable earnings growth in the U.S. for 2025, projecting double-digit returns spurred by declining interest rates. However, given the current high valuations and upcoming electoral uncertainties, we maintain a selective approach in equity allocation. The technology sector's growth is expected to moderate, with broader S&P 500 earnings expected to increase steadily. The team is also exploring opportunities to diversify sector exposure from technology and AI into sectors like energy, utilities, real estate, and industrials—areas with stable growth and less cyclical sensitivity.

In China, recent policy stimulus measures have led us to adopt a tactically overweight stance on the region, acknowledging attractive valuations. Nonetheless, structural issues—including geopolitical concerns, government debt levels, and demographic challenges—necessitate a cautious outlook, and we stand ready to adjust our positions should the stimulus effects falter or be insufficient in the face of these challenges.

The Fund remains measured within fixed income markets, where expectations for rate cuts remain mixed. Given the Fed's dovish trajectory, we continue to favor intermediate-duration U.S. bonds while expressing caution on long-dated bonds where term premiums are unappealing. European fixed income, particularly in investment-grade credit, offers attractive valuations as the ECB holds more policy room to stimulate growth compared to the Fed and BOE.

Within UK fixed income, gilts continue to offer relative value as the muted growth outlook may necessitate more aggressive rate cuts from the BOE than the market currently expects. Recent budget concerns have elevated gilt yields, though we believe the reaction may be overstated and expect a normalization as clarity on fiscal policy emerges.

The Fund's strategic allocation remains at 60% equities and 40% fixed income, maintaining a diversified approach as we approach the end of 2024. We are poised to navigate the evolving macroeconomic environment, with flexibility to pivot allocations in response to shifts in fiscal policy, geopolitical developments, and inflationary trends.

July 11<sup>th</sup> seemed to be the pivotal point for capital markets as US consumer prices post its first monthly drop in four years and introduced significant market volatility especially across the technology sector which has seen the sector's narrow rally reversing. We also see growth strategies correcting on rich valuations, whilst value sectors such as financials and energy held up. As such, the team took this opportunity to consolidate its underperforming global quality equity strategies into global equity managers who were able to establish themselves by being nimbler and more dynamic in their decisions under volatile market conditions. The Fund has also taken off its opportunistic China positions as policymakers initiative to drive the nation's domestic consumption continues to wane across the year. Moving forward, the Fund strategy looks to tilt towards being more defensive, by exploring defensive sectors such as global healthcare given the potential increase in probability of recession. The Fund will also continue to maintain its overall beta exposure within equities, as the Fed looks to begin its rate cut cycle as soon as 3Q of 2024, given increasing evidence of stress within the employment markets and overall economic slowdown.

## AHAM FLEXI FUND 8

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 SEPTEMBER 2024

|   | Financial<br>period ended<br><u>30.9.2024</u><br>USD | Financial<br>period ended<br><u>30.9.2023</u><br>USD |
|---|--|--|
| <b>INVESTMENT INCOME/(LOSS)</b>   |  |  |
| Dividend income   | 35,025   | 14,956   |
| Interest income from financial assets<br>at amortised cost                        | 14   | 5  |
| Net gain/(loss) on foreign currency exchange                                      | 51,546   | (1,983)  |
| Net gain/(loss) on financial assets at fair value<br>through profit or loss       | 804,101  | (611,377)  |
|   | <u>890,686</u>                                       | <u>(598,399)</u>                                     |
| <b>EXPENSES</b>   |  |  |
| Management fee  | (55,861)   | (43,451)   |
| Trustee fee   | (3,402)  | (2,759)  |
| Fund accounting fee   | (1,356)  | (1,296)  |
| Auditors' remuneration  | (491)  | (497)  |
| Tax agent's fee   | (191)  | (193)  |
| Transaction costs   | (541)  | -  |
| Other expenses  | (4,895)  | (1,641)  |
|   | <u>(66,737)</u>                                      | <u>(49,837)</u>                                      |
| <b>NET PROFIT/(LOSS) BEFORE TAXATION</b>  | 823,949  | (648,236)  |
| Taxation  | -  | -  |
| <b>INCREASE/(DECREASE) IN NET ASSETS<br/>ATTRIBUTABLE TO UNIT HOLDERS</b>         | <u>823,949</u>                                       | <u>(648,236)</u>                                     |
| Increase in net asset attributable to unitholders<br>is made up of the following: |  |  |
| Realised amount   | (414,326)  | 31,754   |
| Unrealised amount   | 1,238,275  | (679,990)  |
|   | <u>823,949</u>                                       | <u>(648,236)</u>                                     |

## AHAM FLEXI FUND 8

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

|  | <u>2024</u><br>USD | <u>2023</u><br>USD |
|--|--------------------|--------------------|
| <b>ASSETS</b>  |                    |                    |
| Cash and cash equivalents  | 1,009,518          | 681,153            |
| Dividends receivable   | 30,674             | -                  |
| Financial assets at fair value through<br>profit or loss                       | <u>34,324,334</u>  | <u>25,933,725</u>  |
| <b>TOTAL ASSETS</b>  | <u>35,364,526</u>  | <u>26,614,878</u>  |
| <b>LIABILITIES</b>   |                    |                    |
| Amount due to Manager<br>- management fee                                      | 19,091             | 14,028             |
| Amount due to Trustee  | 1,140              | 891                |
| Fund accounting fee  | 476                | 426                |
| Performance fee payable  | 3,075              | -                  |
| Auditors' remuneration   | 240                | 497                |
| Tax agent's fee  | 941                | 1,029              |
| Other payables and accruals  | <u>240</u>         | <u>239</u>         |
| <b>TOTAL LIABILITIES (EXCLUDING NET ASSET<br/>ATTRIBUTABLE TO UNITHOLDERS)</b> | <u>25,203</u>      | <u>17,110</u>      |
| <b>NET ASSET VALUE OF THE FUND</b>   | <u>35,339,323</u>  | <u>26,597,768</u>  |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>                                  | <u>35,339,323</u>  | <u>26,597,768</u>  |



## AHAM FLEXI FUND 8

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

|  | <u>2024</u><br>USD | <u>2023</u><br>USD |
|--|--------------------|--------------------|
| <b>REPRESENTED BY:</b>                                       |                    |                    |
| <b>FAIR VALUE OF OUTSTANDING UNITS</b>                       |                    |                    |
| - MYR Class  | 476                | 225                |
| - SGD Class  | 788                | 696                |
| - USD Class  | 35,338,059         | 26,596,847         |
|  | <u>35,339,323</u>  | <u>26,597,768</u>  |
| <b>NUMBER OF UNITS IN CIRCULATION</b>                        |                    |                    |
| - MYR Class  | 2,000              | 1,000              |
| - SGD Class  | 1,000              | 1,000              |
| - USD Class  | 33,954,000         | 28,909,000         |
|  | <u>33,957,000</u>  | <u>28,911,000</u>  |
| <b>NET ASSET VALUE PER UNIT (USD)</b>                        |                    |                    |
| - MYR Class  | 0.2378             | 0.2251             |
| - SGD Class  | 0.7878             | 0.6959             |
| - USD Class  | 1.0408             | 0.9200             |
|  | <u>1.0408</u>      | <u>0.9200</u>      |
| <b>NET ASSET VALUE PER UNIT IN<br/>RESPECTIVE CURRENCIES</b> |                    |                    |
| - MYR Class  | RM0.9801           | RM1.0565           |
| - SGD Class  | SGD1.0090          | SGD0.9476          |
| - USD Class  | USD1.0408          | USD0.9200          |
|  | <u>USD1.0408</u>   | <u>USD0.9200</u>   |

## AHAM FLEXI FUND 8

### UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

|   | Financial<br>period ended<br><u>30.9.2024</u><br>USD | Financial<br>period ended<br><u>30.9.2023</u><br>USD |
|---|--|--|
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS<br/>AT BEGINNING OF THE FINANCIAL PERIOD</b>            | 30,891,466   | 27,246,004   |
| Movement due to units created and cancelled during<br>the financial period:                       |  |  |
| Creation of units arising from applications   | 7,416,202  | -  |
| - MYR Class   | 3,223,744  | -  |
| - USD Class   | 4,192,458  | -  |
| Cancellation of units   | (3,792,294)  | -  |
| - MYR Class   | (3,792,294)  | -  |
| Net increase/(decrease) in net assets attributable to<br>Unit holders during the financial period | 823,949  | (648,236)  |
| - MYR Class   | 8,502  | (5)  |
| - SGD Class   | 19   | (17)   |
| - USD Class   | 815,428  | (648,214)  |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS<br/>AT THE END OF THE FINANCIAL PERIOD</b>              | <b>35,339,323</b>                                    | <b>26,597,768</b>                                    |

**AHAM Asset Management Berhad**

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