

Sustainable & Responsible Investment (SRI) Statement

Date of Issuance: 25 November 2024

AHAM ESG SGD Bond Fund



MANAGER

AHAM Asset Management Berhad
Registration No.: 199701014290 (429786-T)

TRUSTEE

Deutsche Trustees Malaysia Berhad
Registration No.: 200701005591 (763590-H)

Warning Statement

A copy of the Prospectus and Product Highlights Sheet ("PHS") can be obtained at AHAM Asset Management Berhad's ("AHAM Capital") sales offices or at aham.com.my. Investors are advised to read and understand the contents of AHAM ESG SGD Bond Fund (or the "Fund") Prospectus dated 29 September 2023 and the corresponding PHS before investing. There are fees and charges involved when investing in the Fund. Investors are advised to consider the fees and charges as well of the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. The price of units and distribution payable, if any, may go down as well as up and past performance of the Fund should not be taken as indicative of its future performance. The Securities Commission Malaysia takes no responsibility for the contents of this marketing / promotional material and expressly disclaims all liability, however arising from this marketing / promotional material.

AHAM ESG SGD Bond Fund

Sustainable & Responsible Investment (SRI) Statement

Based on holdings as of 30 September 2024

AHAM ESG SGD Bond Fund (“Fund”) is a qualified sustainable and responsible investment fund under the Securities Commission Malaysia’s Guidelines on Sustainable and Responsible Investment Funds. The Fund invests a minimum 70.0% of its NAV in bonds with at least 50% of its NAV in SGD denominated bonds. The Fund also invests 30% of its NAV in money market instruments and deposits as well as up to 10% of its NAV in embedded derivatives. The Fund adopts the following SRI methodologies, including the selection, retention and realization of its investments.

1) Negative or Exclusionary Screening

The Fund excludes companies that are deemed to be contributing harm towards environmental or social objectives. A maximum 10.0% revenue threshold applies to the following business activities.



2) ESG Integration

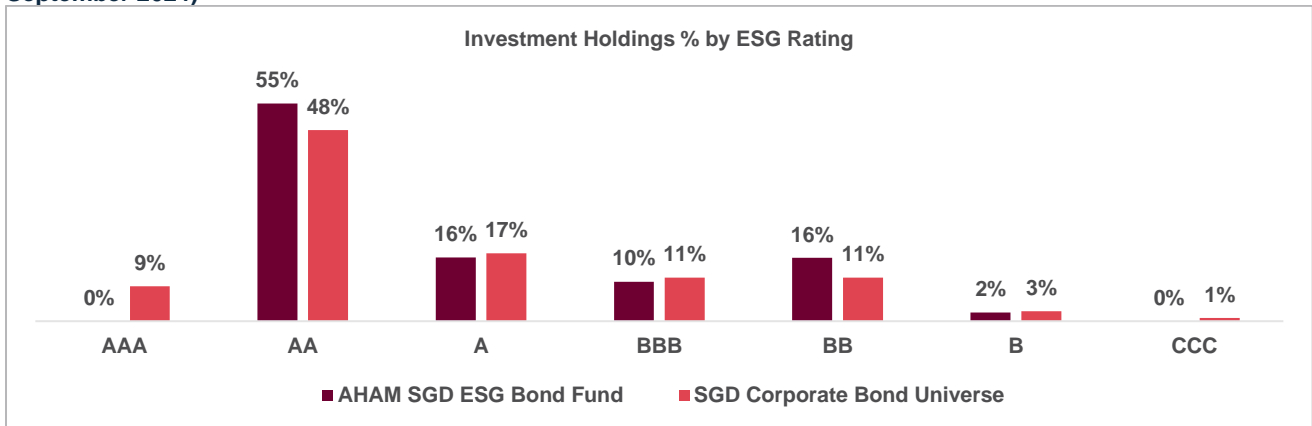
The Fund will include ESG factors in the investment decision making and portfolio construction process. These ESG factors help the Manager identify potential tail risks and/or best-in-class practices such as competitive edge, customer behavior, reputational risk and accessibility to funding. It also served as additional portfolio risk management tool by increasing awareness about the Fund’s exposures to certain negative ESG risk factors.

As an ESG-labelled fund, the Fund promotes Environmental and Social characteristics by aiming to maintain similar or higher overall portfolio ESG rating than the broad SGD Corporate Bond Universe. ESG rating is determine by AHAM’s internal methodology and aims to assess a company’s ability to manage its material ESG risk exposures. The Manager monitors compliance with the characteristics to maintain similar or a higher overall ESG rating by reference to the weighted average ESG rating of the Fund compared to the weighted average of the constituents of the broad SGD Corporate Bond Universe.

Fund ESG Statistics

As of 30 September 2024, the weighted average portfolio ESG rating of the Fund is A*, as compared to the weighted average ESG rating of the broad SGD Corporate Bond Universe of A*. Approximately 85.4% of the Fund NAV* carries an ESG rating.

Figure 1: ESG rating distribution of AHAM ESG SGD Bond Fund vs. broad SGD Corporate Bond Universe (as of 30 September 2024)



Source: Bloomberg, AHAM Asset Management Berhad

Figure 2: Portfolio Top 10 Corporate Bond Holdings (as of 30 September 2024)

Issuer Name	Bond	ESG Rating	% Weight	Labelled Bond Type
AIA Group Limited	AIA 5.1 PERP GMTN	AA	3.28	-
Keppel REIT	KREITS 3.15 PERP MTN	A	3.10	-
Changi Airport Group (Singapore) Pte. Ltd.	CHAAIR 1.88 05/12/31 MTN	A	2.94	-
PT Freeport Indonesia	FRIDPT 6.2 04/14/52 REGS	AA	2.32	-
Sumitomo Mitsui Financial Group, Inc.	SUMIBK 6.6 PERP	AA	2.29	-
ANZ Holdings (New Zealand) Limited	ANZHNZ 0 PERP MTN	AA	2.27	-
CMT MTN Pte. Ltd.	CAPITA 3.938 06/19/30 MTN	AA	2.19	Green
CMT MTN Pte. Ltd.	CAPITA 3 ¾ 07/10/34 MTN	AA	2.19	Green
HSBC Holdings PLC	HSBC 5 1/4 PERP	AA	2.18	-
Capitaland Ascott Real Estate Investment Trust	ARTSP 4.6 PERP	BB	2.16	-

Source: Bloomberg, AHAM Asset Management Berhad

The Fund has approximately 16.9% exposure into ESG-labelled bonds. ESG-labelled bonds are bonds in which the proceeds are applied exclusively for the financing of any activities or assets that seek to achieve environmental, social or sustainable objectives such as preservation of natural resources, reducing greenhouse gas emissions, or addressing specific social issues such as access to basic infrastructure, affordable housing, etc. By investing into ESG-labelled bonds, the Fund supports the financing of sustainability driven projects and contributes to the development of the ESG-labelled bond ecosystem in Singapore.

Figure 3: Portfolio Holdings in ESG-Labelled Bonds (as of 30 September 2024)

No	Issuer	Bond	% Weight	ESG-Labelled Bond Type
1	Optus Finance Pty Limited	SGTOPT 2.6 11/24/28	1.37	Sustainability-Linked
2	CapitaLand Ascendas REIT	AREIT 3 PERP EMTN	2.07	Green
3	FLCT Treasury Pte. Ltd.	FLTSP 2.18 07/26/28 MTN	0.98	Sustainable
4	FLCT Treasury Pte. Ltd.	FPLSP 3 10/09/28 MTN	2.04	Sustainable
5	CMT MTN Pte. Ltd.	CAPITA 3.938 06/19/30 MTN	2.19	Green
6	Credit Agricole Sa	ACAFP 3.95 07/22/32 EMTN	1.06	Green
7	Ascott REIT MTN Pte. Ltd.	ARTSP 3.63 04/20/27	1.06	Sustainability-Linked
8	Manulife Financial Corporation	MFCCN 3 11/21/29	2.10	Green
9	CapitaLand Ascendas REIT	AREIT 3.73 05/29/34 EMTN	1.09	Green
10	CMT MTN Pte. Ltd.	CAPITA 3 ¾ 07/10/34 MTN	2.19	Green
11	Alibaba Group Holding Limited	BABA 2.7 02/09/41	0.79	Sustainable
Total			16.94	

Source: Bloomberg, AHAM Asset Management Berhad

Corporate engagement is an important platform to drive greater awareness and adoption of sustainability practices and good governance behaviors. The Manager strives to engage with companies with lower ESG ratings to encourage adoption of sustainability considerations in their business decisions and to improve transparency and disclosure. The extent to which the Manager is able to influence change depends on the amount of exposure and where it sits on the capital structure.

* ESG rating is determined by AHAM's inhouse methodology and covers only corporate and financial institutions in which the Manager maintains active research coverage on. We currently maintain active research coverage on approximately 75% of the broad SGD corporate bond universe. The ESG rating methodology is reviewed regularly and may be updated from time-to-time.

** The data provided above is that of the Fund and is a percentage of NAV as at 30 September 2024. All figures are subject to frequent changes on a daily basis and the percentages might not add up to 100% due to rounding.

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