



QUARTERLY REPORT
31 August 2024

AHAM Absolute Return Fund II

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
Deutsche Bank (Malaysia) Berhad
(312552-W)

Built On Trust

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AHAM ABSOLUTE RETURN FUND II

Quarterly Report and Financial Statements
As at 31 August 2024

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QUARTERLY REPORT
FUND INFORMATION

Fund Name	AHAM Absolute Return Fund II
Fund Type	Growth
Fund Category	Mixed Assets
Investment Objective	The Fund is categorised as growth fund which seeks to achieve medium to long-term capital appreciation by investing primarily in securities of developed and emerging markets globally
Benchmark	Absolute return of 8.0% per annum
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

FUND PERFORMANCE DATA

MYR Class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	269.667	282.520
NAV per Unit (RM)	1.3992	1.4291
Unit in Circulation (million)	192.731	197.693

AUD Class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	1.599	1.535
NAV per Unit (AUD)	0.5774	0.5543
Unit in Circulation (million)	2.769	2.769

GBP Class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.228	0.222
NAV per Unit (GBP)	0.5487	0.5329
Unit in Circulation (million)	0.416	0.416

SGD Class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	3.360	3.634
NAV per Unit (SGD)	0.5040	0.4904
Unit in Circulation (million)	6.667	7.410

USD Class

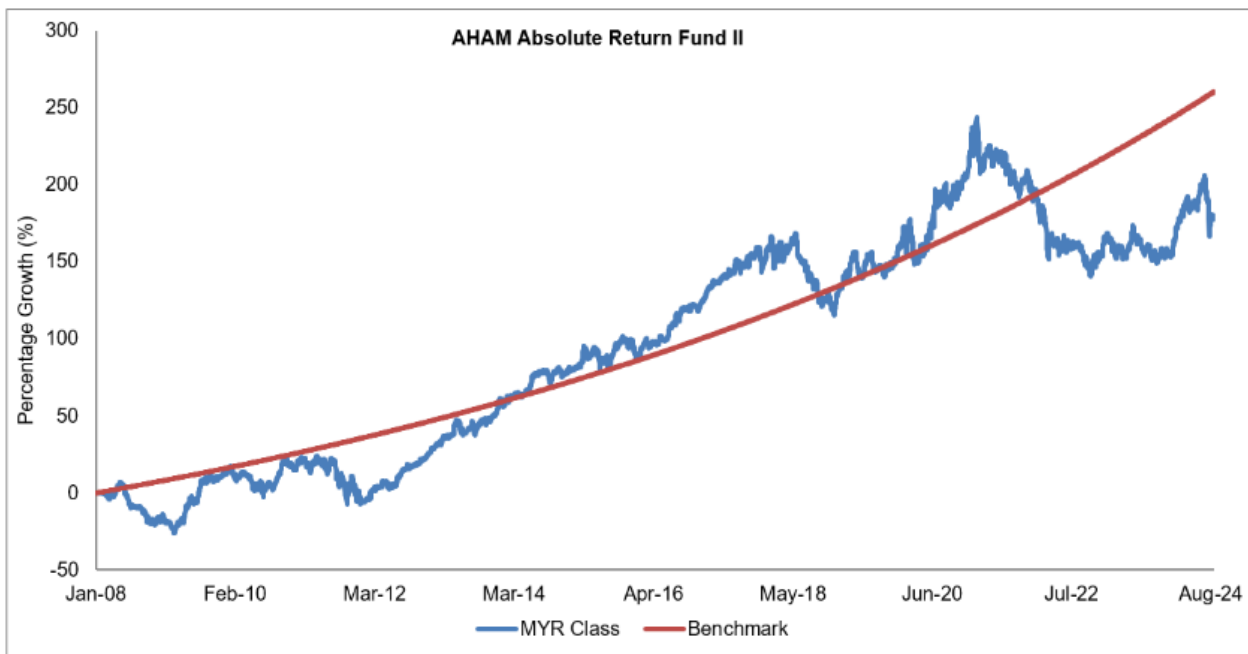
Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	6.009	5.918
NAV per Unit (USD)	0.5062	0.4745
Unit in Circulation (million)	11.871	12.472

Fund Performance

Performance as at 31 August 2024

	3 Months (1/6/24 - 31/8/24)	6 Months (1/3/24 - 31/8/24)	1 Year (1/9/23 - 31/8/24)	3 Years (1/9/21 - 31/8/24)	5 Years (1/9/19 - 31/8/24)	Since Commencement (8/1/08 - 31/8/24)
MYR Class	(2.09%)	1.15%	8.26%	(8.03%)	13.53%	179.84%
Benchmark	1.96%	3.96%	8.00%	26.00%	46.99%	260.45%
Outperformance	(4.05%)	(2.81%)	0.26%	(34.03%)	(33.46%)	(80.61%)

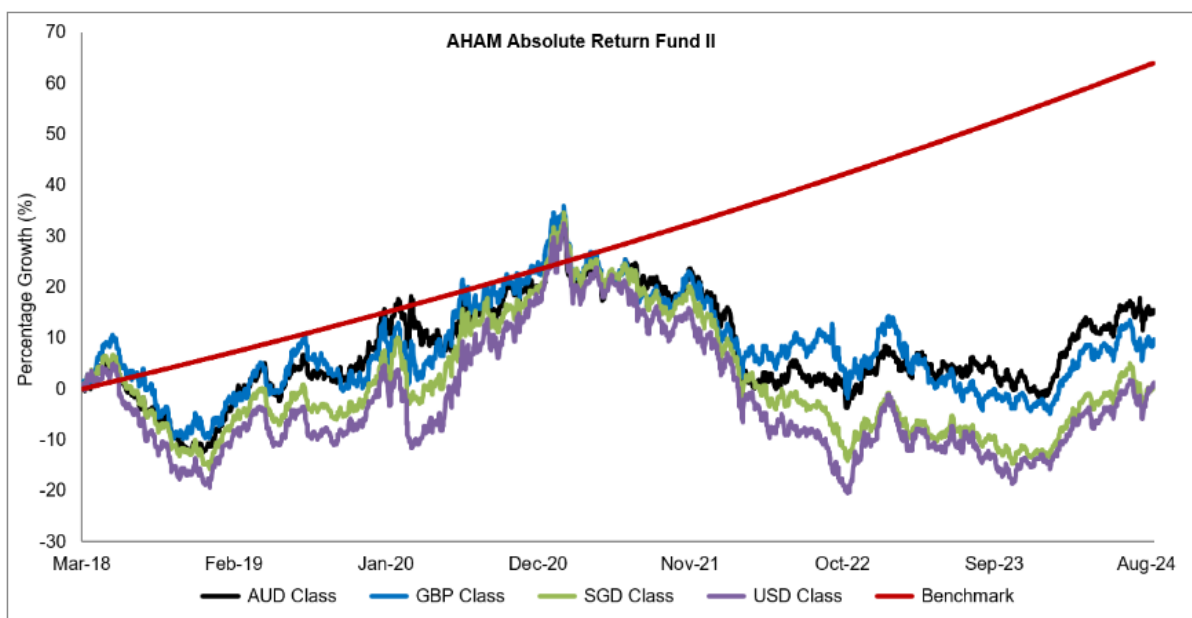
Movement of the Fund versus the Benchmark



Performance as at 31 August 2024

	3 Months (1/6/24 - 31/8/24)	6 Months (1/3/24 - 31/8/24)	1 Year (1/9/23 - 31/8/24)	3 Years (1/9/21 - 31/8/24)	5 Years (1/9/19 - 31/8/24)	Since Commencement (30/3/18 - 31/8/24)
Benchmark	1.96%	3.96%	8.00%	26.00%	46.99%	64.03%
AUD Class	4.17%	6.08%	10.40%	(5.25%)	11.57%	15.48%
Outperformance	2.21%	2.12%	2.40%	(31.25%)	(35.42%)	(48.55%)
GBP Class	2.96%	6.67%	11.59%	(7.58%)	4.02%	9.74%
Outperformance	1.00%	2.71%	3.59%	(33.58%)	(42.97%)	(54.29%)
SGD Class	2.77%	7.55%	11.93%	(14.33%)	4.69%	0.80%
Outperformance	0.81%	3.59%	3.93%	(40.33%)	(42.30%)	(63.23%)
USD Class	6.68%	11.03%	16.23%	(11.53%)	11.20%	1.24%
Outperformance	4.72%	7.07%	8.23%	(37.53%)	(35.79%)	(62.79%)

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: 8.0% 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>31 August 2024</u>
	(%)
Equity	76.71
Unit Trust	18.36
Cash & money market	4.93
Total	<u>100.00</u>

Income Distribution Breakdown

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

Strategies Employed

The fund's primary strategy is to invest in Quality Compounders at reasonable valuations. Quality Compounders are businesses with a strong moat, high return on capital, and a healthy growth trajectory. Within this overarching strategy, the fund focuses on several investment themes.

In recent months, the fund has taken some profit off Semiconductor exposure. While the industry is likely to benefit from long-term demand from AI applications, valuation is on the high side, and it is difficult for the industry to maintain high growth rate as their earnings base becomes larger.

The fund also added exposure into defensive sectors such as Healthcare and Consumer Health sectors. Both of these sectors benefit from the long-term trend of aging population, and increased spending on new treatment services and health products.

In light of the rising odds of Fed rate cuts and weakening of USD, the fund has also added exposure into ASEAN countries which benefit more from lower bond yields and weaker USD.

Additionally, the fund is positioned within the "High-End Spending" theme. Products and services catering to high-end spending have stronger pricing power and tend to grow above GDP growth over the long term. Lower marriage rates and childbirth globally are enabling consumers to indulge in higher-end products and services.

Market Review

The S&P 500 index has experienced significant gains of approximately 7% in USD terms from June 1, 2024, to August 31, 2024.

Several factors contributed to the S&P 500's robust performance during this period. U.S. inflation data continued to move lower towards the Federal Reserve System's (Fed) target, which led to lower global bond yields and increasing expectation of Fed rate cuts. Corporate earnings growth also remained healthy across multiple sectors, particularly in Communication Services and Information Technology.

Similarly, the Asia ex-Japan (AxJ) equity markets, as measured by the MSCI Asia ex-Japan Index, achieved a gain of roughly 6% in USD terms between June 1, 2024, to August 31, 2024.

The AxJ equity markets also benefitted from lower bond yields globally. Lower U.S. Treasury yield and weaker USD has led to rising expectation of interest rate cuts by Asian central banks as well. Within this region, India and Taiwan were among the strongest performers. The Indian equity market continued to perform well due to strong GDP growth and robust domestic investment flows. Meanwhile, the Taiwanese market was buoyed by the AI theme, given the country's significant exposure to semiconductor and technology stocks.

Investment Outlook

Several key macroeconomic factors are expected to influence global equity markets. The primary factor is the trajectory of inflation data in developed countries, particularly the U.S. Changes in U.S. inflation data will determine the Federal Funds Rate and overall financial conditions in the U.S., which will significantly impact global financial conditions.

China's economic health also has broad implications for the global economy, particularly for Asian economies due to close trade linkages with China. The Chinese economy continues to struggle with sluggish housing sales and domestic consumption. But there were a number of material stimulus measures announced in September 2024 to bolster the Chinese economy and financial markets. While it is positive to near-term market performance, it remains to be seen whether it would translate to a healthy and sustainable long-term performance.

Global geopolitical developments are another important driver of financial markets. The U.S. presidential election in November 2024 could lead to changes in domestic policies affecting U.S. businesses and global trade activities.

These key issues will be closely monitored, and any material developments will impact the portfolio's construction for the remainder of 2024. Our portfolio positioning does incorporate risk mitigation strategies to better withstand potential changes in macroeconomic conditions.

AHAM ABSOLUTE RETURN FUND II

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

	Financial period ended 31.8.2024 RM	Financial period ended 31.8.2023 RM
INVESTMENT (LOSS)/INCOME		
Dividend income	1,482,264	1,354,673
Interest income from financial assets at amortised cost	23,431	56,981
Net loss on foreign currency exchange	(1,714,104)	(609,813)
Net (loss)/gain on financial assets at fair value through profit or loss	(5,042,645)	1,364,323
	<u>(5,251,054)</u>	<u>2,166,164</u>
EXPENSES		
Management fee	(830,899)	(1,014,567)
Custodian fee	(41,983)	(18,513)
Fund accounting Fee	(9,000)	(9,000)
Auditors' remuneration	(2,899)	(2,891)
Tax agent's fee	(983)	(955)
Transaction costs	(176,430)	(316,199)
Other expenses	(285,312)	(125,746)
	<u>(1,347,506)</u>	<u>(1,487,871)</u>
NET (LOSS)/PROFIT BEFORE TAXATION	(6,598,560)	678,293
Taxation	-	(123,519)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(6,598,560)</u>	<u>554,774</u>
(Decrease)/increase in net assets attributable to unitholders is made up of the following:		
Realised amount	247,759	(12,723,143)
Unrealised amount	(6,846,319)	13,277,917
	<u>(6,598,560)</u>	<u>554,774</u>

AHAM ABSOLUTE RETURN FUND II

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	15,805,677	24,445,266
Amount due from broker	2,473,983	12,724
Amount due from Manager		
- management fee rebate receivables	32,544	48,947
Dividend receivables	175,278	296,028
Financial assets at fair value through profit or loss	297,326,140	368,996,678
TOTAL ASSETS	<u>315,813,622</u>	<u>393,799,643</u>
LIABILITIES		
Amount due to brokers	2,473,983	-
Amount due to Manager		
- management fee	264,724	332,991
- cancellation of units	234,347	673,196
Fund accounting fee	6,000	6,000
Auditors' remuneration	9,810	2,891
Tax agent's fee	8,777	4,850
Tax payable	49,924	15,121
Other payables and accruals	11,747	12,050
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>3,059,312</u>	<u>1,047,099</u>
NET ASSET VALUE OF THE FUND	<u>312,754,310</u>	<u>392,752,544</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>312,754,310</u>	<u>392,752,544</u>

AHAM ABSOLUTE RETURN FUND II

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

	<u>2024</u>	<u>2023</u>
REPRESENTED BY:	RM	RM
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Class	4,698,964	6,242,362
- GBP Class	1,299,487	1,252,377
- MYR Class	269,666,606	330,016,625
- SGD Class	11,140,601	12,318,179
- USD Class	25,948,652	42,923,001
	<u>312,754,310</u>	<u>392,752,544</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Class	2,769,000	3,982,000
- GBP Class	416,000	434,000
- MYR Class	192,731,000	255,328,000
- SGD Class	6,667,000	7,980,000
- USD Class	11,871,000	21,258,000
	<u>214,454,000</u>	<u>288,982,000</u>
NET ASSET VALUE PER UNIT (RM)		
- AUD Class	1.6970	1.5676
- GBP Class	3.1238	2.8857
- MYR Class	1.3992	1.2925
- SGD Class	1.6710	1.5436
- USD Class	2.1859	2.0191
	<u>1.6970</u>	<u>1.5676</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Class	AUD0.5774	AUD0.5230
- GBP Class	GBP0.5487	GBP0.4917
- MYR Class	RM1.3992	RM1.2925
- SGD Class	SGD0.5040	SGD0.4503
- USD Class	USD0.5062	USD0.4355
	<u>AUD0.5774</u>	<u>AUD0.5230</u>

AHAM ABSOLUTE RETURN FUND II

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Financial period ended <u>31.8.2024</u> RM	Financial period ended <u>31.8.2023</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	329,137,971	402,691,303
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	2,139,436	277,865
- AUD Class	194,975	-
- MYR Class	1,843,524	277,865
- SGD Class	100,937	-
Cancellation of units	(11,924,537)	(10,771,398)
- AUD Class	(197,035)	(289,588)
- MYR Class	(8,975,755)	(10,267,723)
- SGD Class	(1,450,119)	-
- USD Class	(1,301,628)	(214,087)
Net (decrease)/increase in net assets attributable to unitholders during the financial period	(6,598,560)	554,774
- AUD Class	(98,346)	7,199
- GBP Class	(27,765)	1,162
- MYR Class	(5,720,809)	490,876
- SGD Class	(157,100)	11,424
- USD Class	(594,540)	44,113
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>312,754,310</u>	<u>392,752,544</u>

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