AHAM CAPITAL
ASSET MANAGEMENT

QUARTERLY REPORT
31 August 2024

AHAM **World Series – Global Target Return** Fund

MANAGER
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TRUSTEE
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Built On Trust

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AHAM WORLD SERIES – GLOBAL TARGET RETURN FUND

Quarterly Report and Financial Statements
As at 31 August 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – Global Target Return Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period
Benchmark	USD LIBOR 3 Months
Termination Date & duration	30 October 2024
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 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.007	0.007
NAV per Unit (USD)	0.6221	0.6035
Unit in Circulation (million)	0.012	0.012

MYR-Hedged class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	1.055	1.003
NAV per Unit (RM)	0.6081	0.5953
Unit in Circulation (million)	1.735	1.685

SGD-Hedged class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.002	0.002
NAV per Unit (SGD)	0.5379	0.5418
Unit in Circulation (million)	0.004	0.004

AUD-Hedged class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.066	0.127
NAV per Unit (AUD)	0.5775	0.5652
Unit in Circulation (million)	0.115	0.224

GBP-Hedged class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.042	0.041
NAV per Unit (GBP)	0.5585	0.5458
Unit in Circulation (million)	0.075	0.075

EUR-Hedged class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.006	0.013
NAV per Unit (EUR)	0.4769	0.4679
Unit in Circulation (million)	0.013	0.028

RMB-Hedged class

Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.002	0.002
NAV per Unit (RMB)	0.5996	0.5813
Unit in Circulation (million)	0.003	0.003

HKD-Hedged class

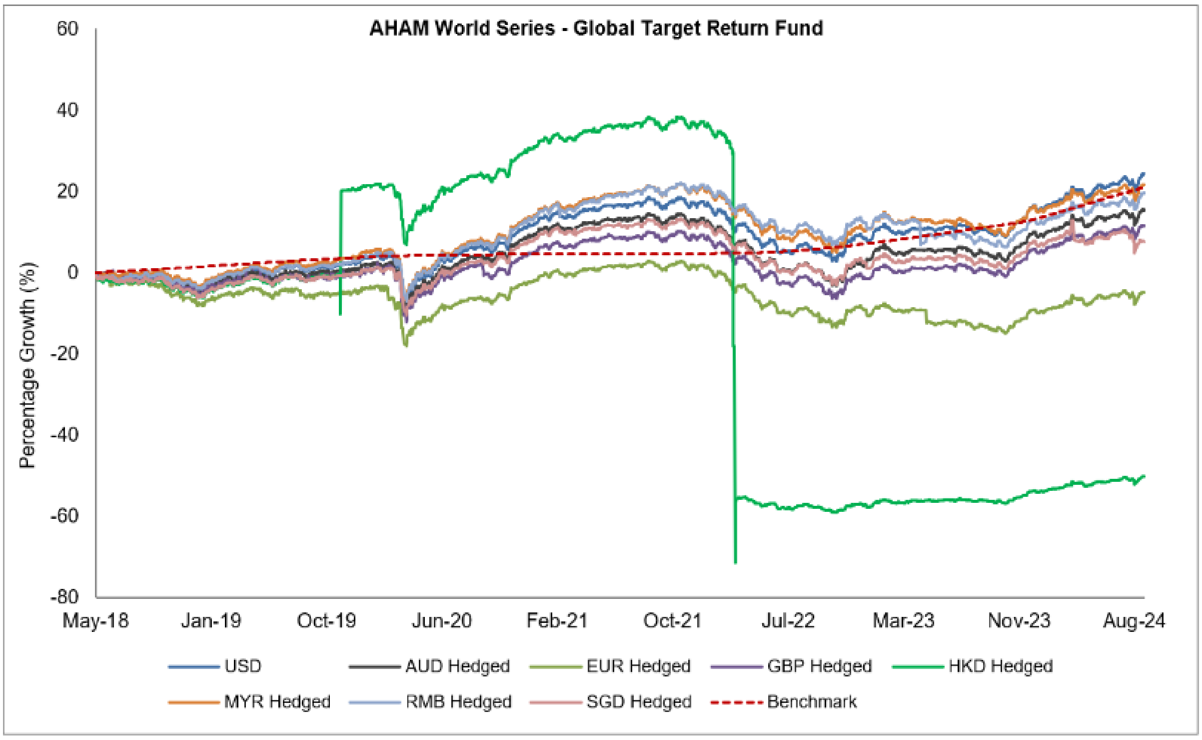
Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	0.001	0.001
NAV per Unit (HKD)	0.2494	0.2421
Unit in Circulation (million)	0.003	0.003

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 (14/5/18 - 31/8/24)
Benchmark	2.59%	5.28%	9.25%	15.80%	17.45%	21.25%
USD	3.08%	5.58%	12.13%	5.55%	23.41%	24.42%
Outperformance	0.49%	0.30%	2.88%	(10.25%)	5.96%	3.17%
AUD Hedged	2.18%	3.89%	9.54%	1.32%	15.57%	15.50%
Outperformance	(0.41%)	(1.39%)	0.29%	(14.48%)	(1.88%)	(5.75%)
EUR Hedged	1.92%	3.88%	9.28%	(6.96%)	0.97%	(4.62%)
Outperformance	(0.67%)	(1.40%)	0.03%	(22.76%)	(16.48%)	(25.87%)
GBP Hedged	2.33%	4.18%	10.40%	1.92%	13.24%	11.70%
Outperformance	(0.26%)	(1.10%)	1.15%	(13.88%)	(4.21%)	(9.55%)
HKD Hedged	3.02%	5.72%	12.75%	(63.76%)	(49.50%)	(50.12%)
Outperformance	0.43%	0.44%	3.50%	(79.56%)	(66.95%)	(71.37%)
MYR Hedged	2.15%	3.79%	8.74%	0.55%	19.19%	21.62%
Outperformance	(0.44%)	(1.49%)	(0.51%)	(15.25%)	1.74%	0.37%
RMB Hedged	3.15%	5.01%	10.42%	(0.78%)	18.50%	19.92%
Outperformance	0.56%	(0.27%)	1.17%	(16.58%)	1.05%	(1.33%)
SGD Hedged	(0.72%)	(1.12%)	4.14%	(4.56%)	9.17%	7.58%
Outperformance	(3.31%)	(6.40%)	(5.11%)	(20.36%)	(8.28%)	(13.67%)

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: USD LIBOR 3 Months

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 August 2024
	(%)
Unit Trust	96.28
Derivative	3.18
Cash & money market	0.54
Total	100.00

Income Distribution Breakdown

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

Strategies Employed

The strategy continues to be positioned for moderate performance from risk assets as policy settings remain favourable for ongoing global recovery. The Manager continues to deploy our risk cautiously and selectively as Target Fund Manager believe this period of market transition can continue until Target Fund Manager have further clarity on the path of inflation.

Market Review

After initially selling off in the early stages of the month following a weaker than expected US jobs report, equity markets generally recovered from these losses to produce positive returns for the month. While a slowdown in job creation and an uptick in the unemployment rate in the US sparked fears of an imminent recession, more upbeat US data in the latter stages of the month in the form of solid retail sales, upward revisions to US Q2 GDP growth, and better than expected jobless claims all helped equity markets recover, with the S&P 500 up 2.4% over the month. Global developed markets returned 1.9% over the month in local currency terms, while emerging markets produced a return of 1.6% in US dollar terms through August. Australian equities underperformed, with a return of 0.5% for the ASX 200, while Japanese equities was the global laggard, with the TOPIX index falling by 2.9% over the month, hampered by a strengthening Yen. On the earnings front, the US delivered a reasonable earnings season with a high number of companies beating their expectations, however the degree of upside surprise in earnings was lower than prior reporting seasons. Locally, it was a relatively benign reporting period with the portion of companies beating their estimates broadly similar to those who missed their estimates. The outlook for Australian earnings was more concerning, as a large portion of companies downgraded their outlook for the second half of the year, as well as for 2025.

Bonds continued to deliver positive returns as the market continued to price in more rate cuts from the US Federal Reserve – the market is now pricing in over 1% of cuts for the remainder of 2024, and over 2% over the next year. This was supported by inflation indicators continuing to move lower in the US, and dovish comments from the Fed Chair at Jackson Hole, flagging that the time has come for policy to adjust and that upside risks to inflation have diminished, while downside risks to employment have increased. Bonds yields generally moved lower, most notably in the US front end, as US 2-year bond yields fell by 0.24% to finish the month at 3.92%. Australian 3-year bond yields also performed well falling by 0.21% to finish the month at 3.55%. 10-year bond yields across Australia, US and Japan all fell around 0.15% in August, while German 10-year bonds underperformed, with yields remaining unchanged at 2.3%. Credit spreads widened in the early part of the month, but retraced lower over the remainder of the month to finish flat across both Australian and Global investment grade credit, and marginally tighter in global high yield credit.

Within FX, the U.S. Dollar Index (DXY) fell by 2.3% as the market moved to price in more interest rate cuts from the Federal Reserve. The Australian dollar was the standout performer, appreciating by over 3% against the US dollar and over 1% against the Euro and British pound. Within commodities, the broader Bloomberg Index was flat over the month, however there was divergent performance amongst the underlying components, with Oil continuing to sell off, falling by over 4% during the month, while Gold continued to appreciate, returning over 2% during August.

Investment Outlook

The VIX Index is a benchmark designed to be an up-to-the-minute market estimate of the expected volatility of the S&P 500. It is often referred to as a fear index or an indicator of stress of the US equity market. Typically this index is around 10-20 during periods of calm, but the highest reading in its over 20 years of history was close to 90, during the worst financial crisis in living memory, the 2008 Global Financial Crisis. The second highest reading was when the index went above 80 during the worst pandemic in living memory, where governments shut down economies across the globe in 2020. The third highest reading, higher than the 1998 LTCM crisis, the 2000 dot com implosion and even the 2018 volatility unwind, was when the index went above 65 intraday during August 2024, due to slightly weaker than expected US payrolls data.

US non-farm payrolls were expected to grow 175k but only grew 114k, the lowest level since… three months ago. Typically this number prints negative before the onset of a recession so growth above 100k is typically considered positive. There were also weather events that may have impacted the number, with hurricane Beryl preventing people from working in July. The data is seasonally adjusted, but the average number of workers unable to make it to work in July, going back since 1976, is 50k, whereas this July it was 461k, which undoubtedly made an impact. The market took this as confirmation that the economy is slowing and extrapolated this to assume a recession is imminent. Market commentators were immediately saying the US

Federal Reserve made a policy mistake by not cutting rates in July and started shouting for an imminent emergency 50bps cut in August. US 2 year treasury yields fell dramatically to 3.88%, after touching 5% in April, as the market priced in over 100bps of cuts this year.

But the jobs number was also exacerbated by the unwind of the Japanese Yen carry trade, where investors borrow for essentially nothing and invest in assets that have a higher return potential. With the market pricing in excessive rate cuts in the US and the Bank of Japan hiking rates by 0.15%, the carry trade was unwound and hit risk assets across the board. US equities fell 6% and Japanese equities fell over 20% during the month, but have since recovered a large portion these losses

Investors have been cheering for a soft landing for over a year, but still find it hard to understand that requires the economy to soften. Without softening, the US Federal Reserve loses its ability to cut rates and bond yields stay higher for longer. The long and variable lags of monetary policy do start to hurt the economy. Higher rates will have an impact on those with variable debt like microbusinesses reliant on bank financing. To achieve a soft landing, rates need to come down and this means weaker than expected growth. That said, the line between a softening and a recession is blurry. In hindsight it always seems obvious after data is revised, but it’s hard to see during the moment. The weaker jobs report has increased the probability of a recession, but this is not our base case.

US data since the July labour market report have not confirmed the recessionary view. The US consumer looks to be in good shape with retail trade for July beating expectations (and the strongest month of the year), the weekly jobless claims data declining and second quarter GDP revised to 3% annualised growth, largely on the back of a strong consumer sector. FOMC chair Powell delivered a dovish address at the annual Central Bank talkfest in Wyoming, which confirmed market expectations that rate cuts would start in September, as the Fed was more confident inflation was on track to reach 2% allowing them to focus more on the weakening labour market. He continued to stress they remain data dependant and the path of rate cuts is uncertain. US short term yields are now priced for 1% of cuts this year over and over 2% by mid-2025. We think this remains optimistic.

Our view remains that the US will avoid recession, supported by modest cuts to official rates and a resilient US consumer, which will stabilise growth and potentially start a rebound in housing. The US consumer has spent the past 15 years deleveraging, with household debt to GDP declining from a peak of over 100% of GDP in 2009 to 74%, with housing and equity market wealth at record highs, there is strong potential for the US consumer to re-leverage as interest rates decline.

AHAM WORLD SERIES - GLOBAL TARGET RETURN FUND

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 INCOME		
Dividend income	4,340	84,176
Interest income for financial assets at amortised cost	11,128	18,474
Interest income for financial assets at fair value through profit or loss	9,492	117,216
Net loss on foreign currency exchange	(4,962)	(68,215)
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	80,481	(149,956)
Net gain on financial assets at fair value through profit or loss	27,903	466,663
	128,382	468,358
EXPENSES		
Management fee	(10,447)	(87,302)
Trustee fee	(983)	(8,217)
Fund accounting fee	(833)	(8,333)
Auditors' remuneration	(1,008)	(7,025)
Tax agent's fee	(291)	(32,454)
Transaction costs	(9,055)	(27,619)
Other expenses	(3,029)	(20,768)
	(25,646)	(191,718)
NET PROFIT BEFORE TAXATION	102,736	276,640
Taxation	294	(42,382)
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	103,030	234,258

Net profit after taxation is made up of the following:

Realised amount	103,230	(337,927)
Unrealised amount	(200)	572,185
	103,030	234,258

AHAM WORLD SERIES - GLOBAL TARGET RETURN FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024

	2024 RM	2023 RM
ASSETS		
Cash and cash equivalents	3,790	1,083,268
Amount due from Manager		
- management fee rebate receivable	-	811
Dividend receivables	-	5,286
Financial assets at fair value through profit or loss	-	10,947,670
Tax recoverable	33,919	145,505
TOTAL ASSETS	37,709	12,182,540
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	-	85,640
Amount due to Manager		
- others	15,351	8,617
Amount due to Trustee	-	811
Fund accounting fee	-	833
Auditors' remuneration	10,008	7,025
Tax agent's fee	4,691	4,400
Other payables and accruals	6,539	10,731
Tax payable	-	114,630
TOTAL LIABILITIES	36,589	232,687
NET ASSET VALUE OF THE FUND	1,120	11,949,853
EQUITY		
Unitholders' capital	1,313	2,338,137
(Accumulated losses)/retained earnings	(193)	9,611,716
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	1,120	11,949,853
NUMBER OF UNITS IN CIRCULATION	2,000	12,402,000
NET ASSET VALUE PER UNIT (RM)	0.5602	0.9635

AHAM ABSOLUTE RETURN FUND I

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

	Unitholders' capital RM	(Accumulated losses)/ retained earnings RM	Total RM
Balance as at 1 December 2023	11,873,291	(103,223)	11,770,068
Total comprehensive income for the financial period	-	103,030	103,030
Movement in unitholders' capital:			
Cancellation of units	(11,871,978)	-	(11,871,979)
Balance as at 31 August 2024	1,313	(193)	1,120
Balance as at 1 December 2022	9,238,140	9,377,458	18,615,598
Total comprehensive income for the financial period	-	234,258	234,258
Movement in unitholders' capital:			
Cancellation of units	(6,900,003)	-	(6,900,003)
Balance as at 31 August 2023	2,338,137	9,611,716	11,949,853

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