



QUARTERLY REPORT
31 August 2024

AHAM World Series – **SGD Liquidity Fund**

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
HSBC (Malaysia) Trustees Berhad
193701000084 (1281-T)

Built On Trust

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AHAM WORLD SERIES – SGD LIQUIDITY FUND

Quarterly Report and Financial Statements As at 31 August 2024

Contents	Page
QUARTERLY REPORT	2
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	9

QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM World Series – SGD Liquidity Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to provide investors with high liquidity to meet cash flow requirements whilst maintaining capital preservation.
Benchmark	Singapore Dollar Banks Saving Deposits Rate
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 (RM'million)	8.121	8.454
NAV per Unit (RM)	0.9724	1.0121
Unit in Circulation (million)	8.352	8.352

SGD class

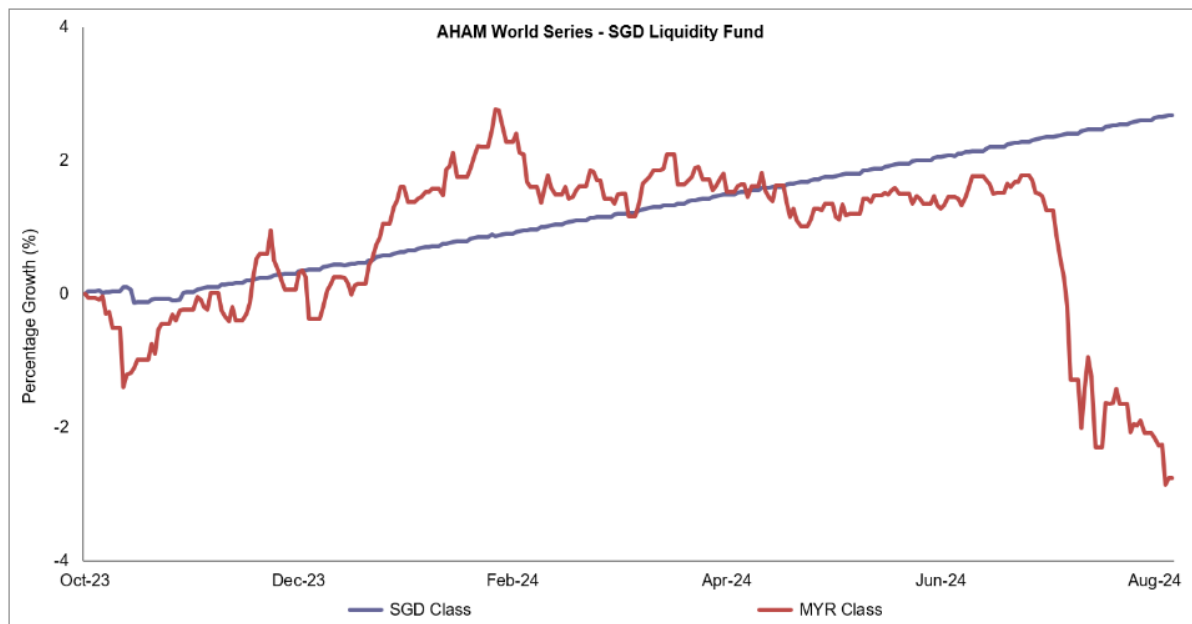
Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (RM'million)	55.035	39.650
NAV per Unit (RM)	1.0268	1.0181
Unit in Circulation (million)	53.601	38.944

Fund Performance

Performance as at 31 August 2024

	3 Months (1/6/24 - 31/8/24)	6 Months (1/3/24 - 31/8/24)	Since Commencement (27/10/23 - 31/8/24)
SGD Class	0.85%	1.70%	2.68%
MYR Class	(3.92%)	(4.37%)	(2.76%)

Movement of the Fund since commencement.



"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."

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	99.97
Cash & money market	0.03
Total	100.00

Income Distribution Breakdown

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

Strategies Employed

The Target Fund prioritises liquidity and aims for returns comparable to SGD deposit rates. It employs a strategy focused on managing Weighted Average Maturities (WAM) to seize rate opportunities across different tenors, balancing allocations between Fixed Deposits and MAS Bills based on insights into banks' Asset Liability Management (ALM) and corporate liquidity needs. Anticipating a slowdown in global interest rate hikes by late 2023, the Target Fund strategically increased WAM in the latter part of the year to capture higher yields from longer-duration instruments, while maintaining a beneficial exposure to short-dated MAS Bills.

Risk management is integral, with ongoing evaluation of current and potential counterparties to maintain portfolio diversification. This approach ensures risks are monitored closely, aligning with the Target Fund's objectives of optimising returns and safeguarding capital. Looking forward, the Fund remains adaptable to market dynamics, aiming to sustain competitive performance through proactive WAM management, yield enhancement strategies, and rigorous risk assessment of counterparties.

Market Review

The US Federal Reserve initiated a significant easing cycle in the June-August 2024 quarter, reducing the Fed Funds rate by 50 basis points, bringing it down from the 5.25-5.50% policy target band during its September 18 meeting. This move was made against a backdrop of strong economic fundamentals. The Fed indicated that recent inflation data shows inflation nearing its 2% target, while maintaining a robust US growth outlook. Additionally, the Fed signaled that the policy rate could be cut further to 3.4% by 2025, just 50 basis points above its assumed neutral rate of 2.9%.

The Federal Reserve is nearing its dual mandate of stable inflation and full employment. Inflation is tracking close to the 2% target, and while unemployment remains low, it is beginning to rise toward levels more consistent with full-employment assumptions. US GDP growth has remained strong, and recent indicators for Personal Consumption Expenditures (PCE) inflation suggest inflation is nearly back to the Fed's target. Given these developments, the Fed has indicated that policy rates could fall significantly in 2025. In fact, with inflation consistently surprising on the downside and unemployment starting to rise, there is a possibility that the Fed could accelerate rate cuts to return to a neutral policy stance sooner than anticipated.

Investment Outlook

As the Federal Reserve continues its easing cycle, with policy rates expected to return toward neutral by 2025, this shift should support liquidity, boost investor confidence, and positively impact US equity returns. US stock market performance has been robust, with earnings growth peaking, and the gradual pace of the easing cycle, alongside steady US GDP growth, should help ensure that any potential slowdown remains gradual. As the yield curve begins to steepen and normalize, interest rate-sensitive sectors like financials are expected to benefit. The US 10-year yield may decline further as the Fed continues to cut rates, potentially offering capital gains for bond investors. While US corporate credit is also expected to perform well, selectivity will be key as valuations may rise with the ongoing easing cycle.

The US dollar may face downward pressure as a result of the Fed's rate cuts, particularly when considering changes in the 10-year yield differential between the US dollar and other developed market currencies in the DXY index. However, the European Central Bank's (ECB) own rate-cutting cycle could moderate the dollar's depreciation. Weak oil prices, driven by soft demand expectations from China, are also weighing on the US dollar. As the US is now a net oil exporter, lower oil prices tend to lead to dollar depreciation.

A weaker US dollar, combined with lower US 10-year yields, is likely to support gold prices and bolster Asia ex-Japan equities. The region is expected to benefit from sustained US demand growth and significant improvements in earnings growth expectations. We maintain a positive one-year outlook for Asia ex-Japan equities, driven by these favorable market dynamics.

As the Fed's rate cuts progress, cash returns may slow over time, though geopolitical risks could help cash achieve a "soft landing." Singapore deposit rates are expected to decline as well, but the pass-through of lower US cash rates may vary due to Singapore's market dynamics and the Monetary Authority of Singapore's (MAS) exchange rate policies. Despite lower cash returns, cash remains an essential component in portfolios, providing liquidity, diversification, and facilitating holistic wealth management strategies.

Furthermore, while returns on Singapore Dollar (SGD) cash and liquidity products are expected to decrease over time, the timing and magnitude of these declines remain uncertain. Singapore's interest rates are influenced by global exchange rates and market expectations rather than direct monetary policy actions. Additionally, the yields on SGD fixed deposits will depend on the funding and liquidity needs of individual banks, meaning they may not directly correlate with the MAS's monetary policy. This highlights the importance of strategic cash management in a diversified portfolio.

AHAM WORLD SERIES – SGD LIQUIDITY FUND

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

Financial

period ended
31.8.2024
SGD

INVESTMENT INCOME

Net gain on foreign currency exchange	21
Net gain on financial assets at fair value through profit or loss	654,359
	<u>654,380</u>

EXPENSES

Management fee	(45,662)
Trustee fee	(5,379)
Fund accounting fee	(2,322)
Auditors' remuneration	(1,104)
Tax agent's fee	(515)
Other expenses	(1,494)
	<u>(56,476)</u>

NET PROFIT BEFORE TAXATION

597,904

Taxation

-

INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

597,904

Increase in net asset attributable to
unitholders is made up of the following:

Realised amount	23,786
Unrealised amount	574,118
	<u>597,904</u>

AHAM WORLD SERIES – SGD LIQUIDITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

2024
SGD

ASSETS

Cash and cash equivalents	30,427
Amount due from Manager - management fee rebate receivable	4,766
Financial assets at fair value through profit or loss	57,466,179
TOTAL ASSETS	<u>57,501,372</u>

LIABILITIES

Amount due to Manager - management fee	11,934
Amount due to Trustee	1,432
Fund accounting fee	397
Auditors' remuneration	982
Tax agent's fee	1,534
Other payables	180
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>16,459</u>

NET ASSET VALUE OF THE FUND 57,484,913

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 57,484,913

AHAM WORLD SERIES – SGD LIQUIDITY FUND

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

2024
SGD

REPRESENTED BY:

FAIR VALUE OF OUTSTANDING UNITS

- MYR Class	2,449,488
- SGD Class	55,035,425
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	57,484,913
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NUMBER OF UNITS IN CIRCULATION

- MYR Class	8,352,000
- SGD Class	53,601,000
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	61,953,000
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NET ASSET VALUE PER UNIT (SGD)

- MYR Class	0.2933
- SGD Class	1.0268
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NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES

- MYR Class	RM0.9724
- SGD Class	SGD1.0268
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AHAM WORLD SERIES – SGD LIQUIDITY FUND

UNAUDITED STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024

	Financial period ended <u>31.8.2024</u> SGD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	12,407,680
Movement due to units created and cancelled during the financial period	
Creation of units arising from applications	51,610,207
- MYR Class	-
- SGD Class	51,610,207
Cancellation of units	(7,130,878)
- MYR Class	-
- SGD Class	(7,130,878)
Increase in net assets attributable to unitholders during the financial period	597,904
- MYR Class	40,894
- SGD Class	557,010
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>57,484,913</u></u>

AHAM Asset Management Berhad

Registration No: 199701014290 (429786-T)

Ground Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

Toll Free Number: 1800 88 7080 T: +603 2116 6000

aham.com.my