



QUARTERLY REPORT
31 August 2024

AHAM Strategic Opportunity Fund 5

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Built On Trust

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AHAM STRATEGIC OPPORTUNITY FUND 5

Quarterly Report and Financial Statements As at 31 August 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Strategic Opportunity Fund 5
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide income return whilst maintaining capital preservation
Duration of the Fund	Two (2) years
Termination Date	28 July 2025
Distribution Policy	Depending on the level of income the Fund generates, the Fund aims to distribute income on a quarterly basis.

FUND PERFORMANCE DATA

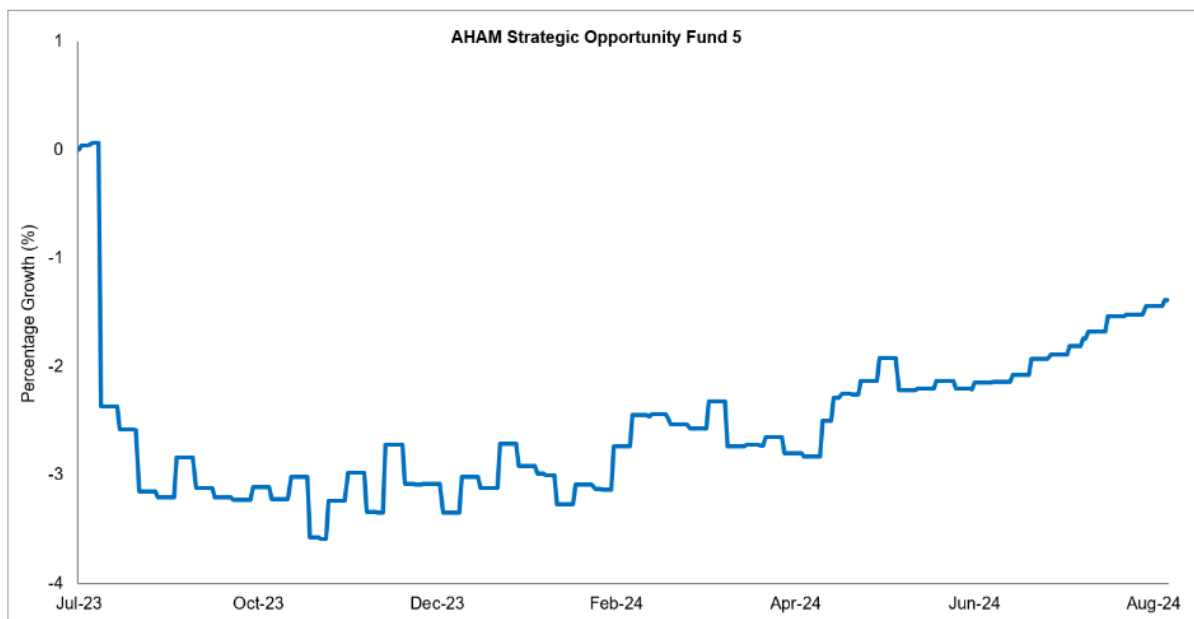
Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (RM'million)	31.681	31.422
NAV per Unit (RM)	0.9861	0.9780
Unit in Circulation (million)	32.129	32.129

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)	Since Commencement (28/7/23 - 31/8/24)
Fund	0.83%	1.12%	1.88%	(1.39%)

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
	(%)
Fixed Income	99.75
Unit Trust	0.05
Cash & money market	0.20
Total	100.00

Income Distribution Breakdown

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

Strategies Employed

We invest in money market instruments and deposits as defensive assets, and structured products as active assets and will remain so until the maturity of the Fund.

Market Review

While Chinese equities gave back some of their gains in the June-August 2024 quarter, Chinese credit rose in July. Policymakers in China continued to take modest measures to address sluggish growth. In response to the Q2 GDP miss (0.7% q/q vs. expectations of 0.9%), the People's Bank of China (PBOC) unexpectedly lowered the 1-year Medium-term Lending Facility (MLF) rate by 20bps, which was a dovish surprise for the market. Chinese Purchasing Managers' Indices (PMIs) remained weak through July, with the national composite PMI reaching a new low for the year, showing few signs of an imminent recovery in growth.

Headline Chinese equities posted slight positive returns over the quarter, but underperformed relative to Asian emerging markets due to a stream of weak economic data and geopolitical concerns leading up to the US election. The Chinese equity market initially held up better than peers early in the quarter, particularly when global markets sold off following disappointing US jobs data and the unwinding of crowded yen trades. However, volatility spiked in the second half of August, dragging down Chinese equities as the earnings season progressed.

Despite the overall challenges, offshore high dividend equities and investment-grade (IG) credits outperformed. On the macroeconomic front, China remained a source of disappointment. July activity data suggested increased downside risks to the government's annual GDP growth target of 5%. Fixed asset investment growth slowed to 1.9%, down from 3.6% in June, with a moderation in both manufacturing and infrastructure investment. Property investment continued to show ongoing weakness, declining by 10.8% compared to a year ago.

Investment Outlook

China's 2Q 2024 GDP growth came in at 4.7% year-on-year, softer than expected. The sharp deceleration in consumption was a key factor, with June retail sales growth missing estimates at just 2.0%, down significantly from the 3.7% increase in May. On the supply side, exports showed resilience, growing 8.6% year-on-year as escalating geopolitical tensions with the US and Europe resulted in front-loading orders ahead of anticipated tariffs.

China's third quarter had a weak start, with domestic demand remaining soft. Both the National Bureau of Statistics (NBS) Manufacturing PMI and the Caixin Manufacturing PMI fell in July. This mixed economic data has fueled expectations for further government stimulus. The Third Plenum of the 20th Chinese Communist Party (CCP) Central Committee, which concluded on July 18, did not surprise the market. Leadership pledged to "unswervingly achieve the full-year growth target" and to "proactively expand domestic demand," though no major policy initiatives addressing near-term growth challenges were announced.

Despite sluggish economic data and weak activity in July, potential stimulus measures are on the horizon, including CNH 300 billion in government funding to support the upgrade of corporate equipment and home furnishings, as well as rate reductions on outstanding mortgages. While these demand-side easing measures could boost sentiment, the likelihood of a significant economic turnaround in the near term remains low.

In the US, a cooling labor market, slower inflation, and dovish signals from the Federal Reserve drove the US 2-year yield down nearly 40 basis points, dipping below 4% for the first time in over a year. Falling US yields, combined with the Bank of Japan's rate hike, weighed on the US dollar and led to a 2% appreciation in the Chinese yuan (CNH) over the quarter. Meanwhile, the People's Bank of China (PBoC) set the yuan's fixing at a year-to-date high as weaker-than-expected export data and less pressure on the CNH amid the US dollar selloff eased market strain. However, given China's soft economic fundamentals, ongoing monetary easing, and the upcoming US election, we anticipate USD/CNY to trend higher, with short positions appearing more balanced after the recent carry trade unwinds.

AHAM STRATEGIC OPPORTUNITY FUND 5

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

Financial
period ended
31.08.2024
RM

INVESTMENT INCOME

Interest income from financial assets at fair value through profit or loss	294,405
Net loss on financial assets at fair value through profit or loss	(25,678)
	<u>268,727</u>

EXPENSES

Trustee fee	(1,585)
Fund accounting fee	(3,000)
Auditor's remuneration	(2,562)
Tax agent's fee	(897)
Other expenses	(1,520)
	<u>(9,564)</u>

NET PROFIT BEFORE TAXATION

259,163

Taxation

-

NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD

259,163

Net profit after taxation is made up of the following:

Realised amount	284,841
Unrealised amount	(25,678)
	<u>259,163</u>

AHAM STRATEGIC OPPORTUNITY FUND 5

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

2024
RM

ASSETS

Cash and cash equivalents	72,195
Financial assets at fair value through profit or loss	31,601,634
Derivative at fair value through profit or loss	16,386

TOTAL ASSETS 31,690,215

LIABILITIES

Amount due to Trustee	536
Fund accounting fee	1,000
Auditor's remuneration	2,562
Tax agent's fee	4,397
Other payables and accruals	501

TOTAL LIABILITIES 8,996

NET ASSET VALUE OF THE FUND 31,681,219

EQUITY

Unitholders' capital	32,129,000
Accumulated losses	(447,781)

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 31,681,219

NUMBER OF UNITS IN CIRCULATION 32,129,000

NET ASSET VALUE PER UNIT (RM) 0.9861

AHAM STRATEGIC OPPORTUNITY FUND 5

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

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 June 2024	32,129,000	(706,944)	31,422,056
Total comprehensive income for the financial period	-	259,163	259,163
Balance as at 31 August 2024	<u>32,129,000</u>	<u>(447,781)</u>	<u>31,681,219</u>