



**QUARTERLY REPORT**  
31 August 2024

# **AHAM World Series – US Dollar Liquidity Fund**

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**Built On Trust**

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# AHAM WORLD SERIES – US DOLLAR LIQUIDITY FUND

## Quarterly Report and Financial Statements As at 31 August 2024

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## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	AHAM World Series – US Dollar Liquidity Fund
Fund Type	Income
Fund Category	Feeder Wholesale
Investment Objective	The Fund aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement whilst maintaining capital preservation.
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis, after the end of its first financial year.

### FUND PERFORMANCE DATA

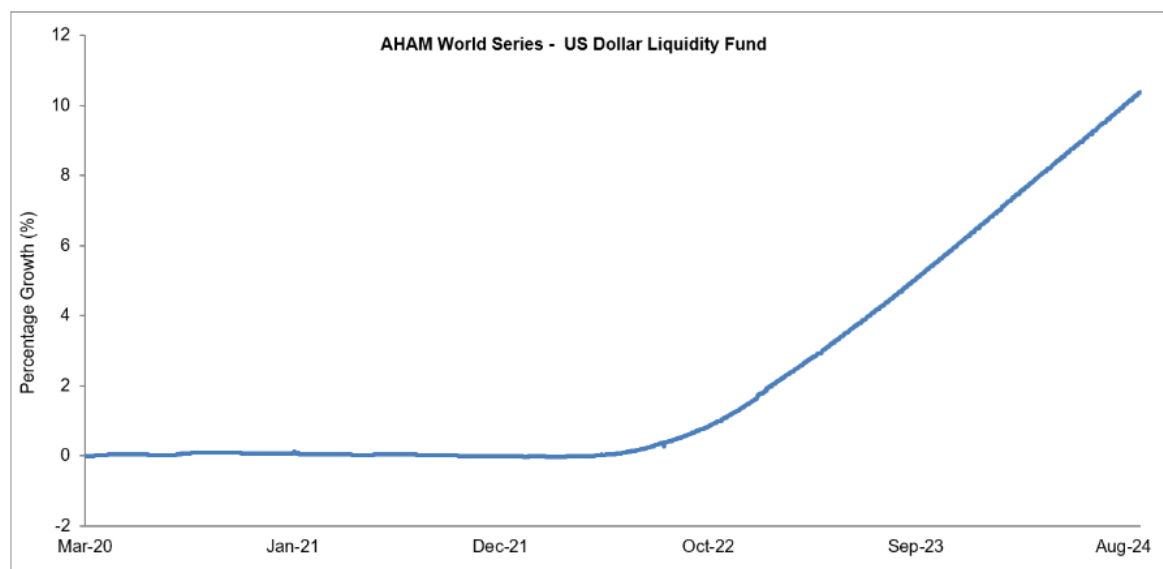
Category	As at 31 Aug 2024	As at 31 May 2024
Total NAV (million)	128.768	102.460
NAV per Unit (USD)	1.0289	1.0289
Unit in Circulation (million)	125.148	99.580

#### 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)	Since Commencement (10/3/20 - 31/8/24)
Fund	1.30%	2.62%	5.34%	10.37%	10.39%

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
	(%)
Unit Trust	99.55
Cash & money market	0.45
Total	100.00

### **Income Distribution Breakdown**

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
USD	2024-08-22	0.4500	100	0.0000	0
	2024-07-22	0.3800	84	0.0700	16
	2024-06-24	0.4300	100	0.0000	0

### **Strategies Employed**

The Manager continue to maintain higher levels of liquidity than in the past. We remain comfortable purchasing securities out to 1-year and we have been looking for attractive fixed and floating rates in the 1-12 months' space.

### **Market Review**

During the period under review, economic data in the US showed mixed signals. The ISM Manufacturing Index for July declined to 46.8 from 48.5 in June, falling short of expectations at 48.8, indicating continued contraction in the manufacturing sector. Job growth also softened, with the US adding 114,000 jobs in July, below the consensus estimate of 175,000 and down from the 118,000 jobs added in June. Private sector employment contributed 97,000 jobs, while government employment rose by 17,000. The unemployment rate increased to 4.3% in July, slightly above the expected 4.1%, and average hourly earnings moderated to 0.2% month-on-month, compared to an expected 0.3%. Overall, the July jobs report showed broad-based slowing in payroll growth, suggesting cooling labor market conditions.

Inflation data showed some moderation, with headline inflation for July coming in lower than expected at 2.9% year-on-year, compared to a consensus of 3.0% and unchanged from June's 3.0%. On a month-on-month basis, inflation stood at 0.2%, meeting expectations. Core CPI also increased by 0.2% month-on-month, in line with estimates. Core goods prices, particularly in the used and new car categories, declined, while core services prices excluding rent and owners' equivalent rent (OER) increased. Notably, shelter prices, which had softened in June, saw a surprising rise in July, pushing up both owners' equivalent rent and primary rent figures.

Retail sales data for July reflected resilience in consumer spending, with total sales rising by 1.0% month-on-month after a modest downward revision in June to -0.2%. The rebound was largely driven by auto sales, which experienced a recovery following disruptions in June due to a computer issue. Even excluding auto sales, retail sales were stronger than expected, increasing by 0.4% month-on-month, with non-discretionary categories such as food retail, furniture, and health stores contributing to the solid performance.

The Federal Open Market Committee (FOMC) did not hold a meeting in August, with the next meeting scheduled for 18 September. Markets are currently pricing in a 25 basis point rate cut with a 50% probability of a larger 50 basis point cut. Looking ahead to 2024, expectations are for a total of 114 basis points in cuts, reflecting the market's anticipation of a looser monetary policy.

Given the significantly inverted yield curve, our fixed-income strategy has shifted away from purchasing across the curve. Instead, we are focusing on shorter maturities, while selectively purchasing longer-dated floating rate notes. These notes offer better yields compared to fixed-rate securities and are expected to perform well if the Federal Reserve delivers fewer rate cuts than currently priced into the market.

### **Investment Outlook**

The shift in focus towards shorter maturities in fixed-income investments reflects market adaptation to the significantly inverted yield curve. Investors are being cautious with fixed-rate securities, opting instead for longer-dated floating rate notes that offer better yields and provide protection against fewer-than-expected rate cuts. With market sentiment suggesting a reduced probability of cuts in 2024, staying in floating rate notes and selective longer-term investments is a strategic move to capitalize on potential delayed adjustments to interest rates. Central bank policies remain a critical factor in guiding bond market strategies, with a watchful eye on the US Federal Reserve's upcoming meetings and future rate decisions.

Despite the broad-based slowdown in economic indicators, such as softer job growth and higher unemployment in the US, the resilience in corporate earnings continues to support equity markets. Sectors like healthcare, technology, and consumer goods remain promising, benefiting from positive retail sales and steady consumer demand. The resilience in consumer spending, as evidenced by the strength in retail sales, suggests continued growth opportunities in these sectors. However, with inflationary pressures persisting, particularly in shelter costs, market volatility is expected, reinforcing the need for a cautious and diversified approach.

The Reserve Bank of Australia's soft tightening stance suggests potential rate hikes ahead, contrasting with the People's Bank of China's surprise cut in the Reserve Requirement Ratio, which aims to inject liquidity into its economy. Monitoring these global central bank actions is crucial for investors to adjust strategies accordingly, especially when navigating international markets. Economic data from the US, including softer inflation and employment numbers, coupled with a reduced likelihood of aggressive rate cuts, points to a more measured approach in adjusting portfolios in response to evolving market conditions.

## AHAM WORLD SERIES – US DOLLAR LIQUIDITY FUND

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

	Financial period ended 31.8.2024 USD	Financial period ended 31.8.2023 USD
<b>INVESTMENT INCOME</b>		
Dividend income	1,570,139	442,873
Net gain on financial assets at fair value through profit or loss	44,449	12,620
	<u>1,614,588</u>	<u>455,493</u>
<b>EXPENSES</b>		
Management fee	(74,716)	(21,523)
Trustee fee	(5,977)	(1,722)
Fund accounting fee	(874)	(873)
Auditors' remuneration	(440)	-
Tax agent's fee	(193)	-
	<u>(82,200)</u>	<u>(24,118)</u>
<b>NET PROFIT BEFORE TAXATION</b>	1,532,388	431,375
Taxation	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<u>1,532,388</u>	<u>431,375</u>
Net profit after taxation is made up of the following:		
Realised amount	<u>1,532,388</u>	<u>431,375</u>

## AHAM WORLD SERIES – US DOLLAR LIQUIDITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	<u>2024</u> USD	<u>2023</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	41,412	17,864
Amount due from Manager		
- management fee rebate receivable	15,814	6,025
Dividend receivable	556,867	215,254
Financial assets at fair value through profit or loss	128,186,239	49,035,661
<b>TOTAL ASSETS</b>	<u>128,800,332</u>	<u>49,274,804</u>
<b>LIABILITIES</b>		
Amount due to Manager		
- management fee	26,512	10,156
Amount due to Trustee	2,121	813
Fund accounting fee	301	296
Auditors' remuneration	2,166	-
Tax agent's fee	948	-
Other payables	209	4
<b>TOTAL LIABILITIES</b>	<u>32,257</u>	<u>11,269</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>128,768,075</u>	<u>49,263,535</u>
<b>EQUITY</b>		
Unitholders' capital	127,628,474	48,661,214
Retained earnings	1,139,601	602,321
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>128,768,075</u>	<u>49,263,535</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<u>125,148,000</u>	<u>48,294,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>	<u>1.0289</u>	<u>1.0201</u>

## AHAM WORLD SERIES – US DOLLAR LIQUIDITY FUND

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

	Unitholders' <u>capital</u> USD	Retained <u>earnings</u> USD	<u>Total</u> USD
Balance as at 1 June 2024	101,293,850	1,166,284	102,460,134
Total comprehensive income for the financial period	-	1,532,388	1,532,388
Distributions	-	(1,559,071)	(1,559,071)
Movement in unitholders' capital:			
Creation of units arising from applications	39,915,137	-	39,915,137
Creation of units arising from distributions	1,555,677	-	1,555,677
Cancellation of units	(15,136,190)	-	(15,136,190)
Balance as at 31 August 2024	<u>127,628,474</u>	<u>1,139,601</u>	<u>128,768,075</u>
Balance as at 1 June 2023	17,770,488	397,643	18,168,131
Total comprehensive income for the financial period	-	431,375	431,375
Distributions	-	(226,697)	(226,697)
Movement in unitholders' capital:			
Creation of units arising from applications	38,998,427	-	38,998,427
Creation of units arising from distributions	225,728	-	225,728
Cancellation of units	(8,333,429)	-	(8,333,429)
Balance as at 31 August 2023	<u>48,661,214</u>	<u>602,321</u>	<u>49,263,535</u>



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