



QUARTERLY REPORT
31 July 2024

AHAM Malaysia Government Bond Fund

MANAGER
AHAM Asset Management Berhad
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AHAM MALAYSIA GOVERNMENT BOND FUND

Quarterly Report and Financial Statements As at 31 July 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Malaysia Government Bond Fund
Fund Type	Income
Fund Category	Fixed Income (Wholesale)
Investment Objective	The Fund aims to provide investors with income over a medium to long-term investment horizon
Benchmark	12-month fixed deposit rate quoted by Maybank
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on a semi-annual basis

FUND PERFORMANCE DATA

Category	As at 31 Jul 2024	As at 30 Apr 2024
Total NAV (RM'million)	58.571	58.551
NAV per Unit (RM)	1.0874	1.0783
Unit in Circulation (million)	53.862	54.299

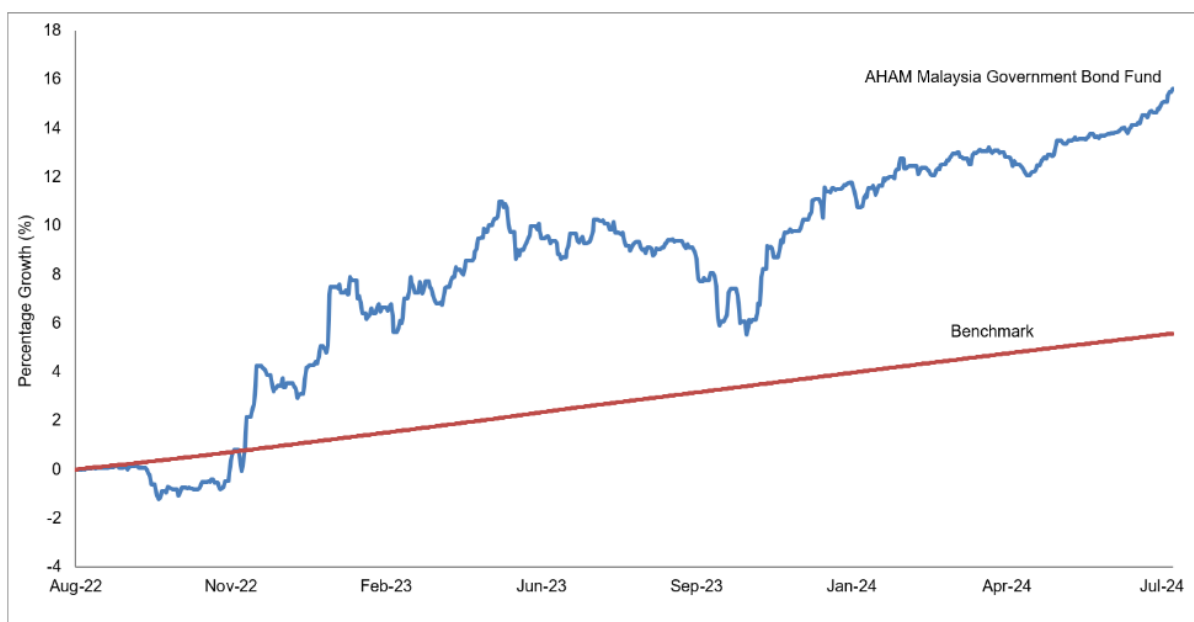
Fund Performance

Table 1: Performance as at 31 July 2024

	3 Months (1/5/24 - 31/7/24)	6 Months (1/2/24 - 31/7/24)	Since Commencement (1/8/23 - 31/7/24)
Fund	2.91%	2.80%	5.26%
Benchmark	0.65%	1.31%	2.73%
Outperformance	2.26%	1.49%	2.53%

Source of Benchmark: Bloomberg

Figure 1: 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: 12-month fixed deposit rate quoted by Maybank

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 July 2023
	(%)
Fixed Income	92.85
Cash & money market	7.15
Total	100.00

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2024-06-19	1.7000	77.27	0.5000	1.7000
MYR	2023-06-21	0.3300	100.00	0.0000	0.3300

Strategies Employed

Over the period under review, the Fund invested mainly in Malaysia Government Securities, Government Investment Issues and/or bonds that are issued directly by Government of Malaysia with more than 10 years remaining to maturity at the point of purchase of such bonds.

The portfolio duration is actively managed based on macroeconomic conditions, market trends, and available investment opportunities.

Market Review

It was a volatile quarter for UST in May - July 2024. UST 10-year was initially declined to 4.34% in mid-May on the back of lower CPI readings, before gradually inched up to above 4.60% post the release of FOMC minutes. However, pockets of weaknesses in the recent economic data (weak ISM and NFP, slower GDP and higher unemployment rate) have sent the whole curve lower. As of end July, UST 2-year, 10-year and 30-year stood at 4.26% (-78bps QoQ), 4.03% (-65bps QoQ) and 4.30% (-48bps QoQ) respectively.

In the domestic market, MGS yields shifted lower tracking USTs although at a slower momentum. Ample domestic liquidity and demand for duration kept local bond yields anchored. On quarterly basis, yields for 3-year, 10-year and 30-year MGS ended the quarter under review at 3.37% (-24bps), 3.72% (-26bps) and 4.15% (-14bps) respectively.

The July BNM meeting saw OPR maintained at 3.00% while maintaining a neutral tone. The central bank highlighted that current OPR is supportive of economy and consistent with its current assessment of inflation and growth prospects. On domestic inflation, June headline CPI was stable at +2.0% coming in below consensus of +2.2% (May: 2.0%, 1H24: 1.8%). Core CPI remain unchanged at +1.9% (May: 1.9%, 1H24: 1.8%). This reflects muted impact from recent broadening of services tax base, diesel price adjustments in June 2024.

Investment Outlook

The US Federal Funds Rate of 5.25-5.50% appeared sufficiently restrictive, with recent data showing signs of easing in wage growth and core inflation components. Looking past the current data driven volatility, the Manager opines that the US Federal Reserve should remain dovish over the medium term.

Domestically, Malaysia's growth and inflation remain within expectations. Despite the on-going subsidy rationalization, its impact on domestic inflation would require a longer time to ascertain. Hence, BNM is expected to prioritize growth over inflation in the near-term, giving rise to a stable OPR outlook.

With rationale above in mind, the Manager may extend portfolio duration but mindful of entry level. On going optimism is still subjected to key risks, such as (1) inflationary pressures both globally and domestically, (2) uncertainties surrounding the upcoming US presidential election, and (3) geopolitical tensions.

AHAM MALAYSIA GOVERNMENT BOND FUND

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

	Financial period ended 31.7.2024 RM	Financial period ended 31.7.2023 RM
INVESTMENT INCOME		
Interest income from financial asset at amortised cost	104,375	57,678
Interest income from financial asset at fair value through profit or loss	1,086,294	813,032
Net gain on financial assets fair value through profit or loss	520,813	230,878
	<u>1,711,482</u>	<u>1,101,588</u>
EXPENSES		
Management fee	(58,205)	(41,421)
Trustee fee	(8,740)	(6,320)
Fund accounting fee	(6,000)	(7,000)
Auditors' remuneration	(3,978)	(3,967)
Tax agent's fee	(1,740)	(1,736)
Other expenses	(1,391)	(1,124)
	<u>(80,054)</u>	<u>(61,568)</u>
NET PROFIT BEFORE TAXATION	1,631,428	1,040,020
Taxation	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>1,631,428</u>	<u>1,040,020</u>
Net profit after taxation is made up of the following:		
Realised amount	1,148,521	1,030,556
Unrealised amount	482,907	9,464
	<u>1,631,428</u>	<u>1,040,020</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	3,675,616	4,361,574
Financial assets at fair value through profit or loss	54,917,593	41,005,048
TOTAL ASSETS	<u>58,593,209</u>	<u>45,366,622</u>
LIABILITIES		
Amount due to Manager - management fee	9,971	7,699
Amount due to Trustee	1,496	1,155
Fund accounting fee	1,000	1,000
Auditors' remuneration	3,979	3,968
Tax agent's fee	5,241	5,236
Other payables and accruals	298	498
TOTAL LIABILITIES	<u>21,985</u>	<u>19,556</u>
NET ASSET VALUE OF THE FUND	<u>58,571,224</u>	<u>45,347,066</u>
EQUITY		
Unitholders' capital	55,285,358	41,815,059
Retained earnings	3,285,866	3,532,007
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>58,571,224</u>	<u>45,347,066</u>
NUMBER OF UNITS IN CIRCULATION	<u>53,862,000</u>	<u>41,467,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>1.0874</u>	<u>1.0936</u>

AHAM MALAYSIA GOVERNMENT BOND FUND

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

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 February 2024	53,459,843	2,855,726	56,315,569
Total comprehensive income for the financial period	-	1,631,428	1,631,428
Distributions	-	(1,201,288)	(1,201,288)
Movement in unitholders' capital:			
Creation of units arising from applications	3,332,074	-	3,332,074
Creation of units arising from distributions	519,949	-	519,949
Cancellation of units	(2,026,508)	-	(2,026,508)
Balance as at 31 July 2024	<u>55,285,358</u>	<u>3,285,866</u>	<u>58,571,224</u>
Balance as at 1 February 2023	36,369,210	2,628,690	38,997,900
Total comprehensive income for the financial period	-	1,040,020	1,040,020
Distributions	-	(136,703)	(136,703)
Movement in unitholders' capital:			
Creation of units arising from applications	10,632,501	-	10,632,501
Creation of units arising from distributions	45,633	-	45,633
Cancellation of units	(5,232,285)	-	(5,232,285)
Balance as at 31 July 2023	<u>41,815,059</u>	<u>3,532,007</u>	<u>45,347,066</u>

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