



QUARTERLY REPORT
31 July 2024

AHAM Single Bond Series 2

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee Berhad
(313031-A)

Built On Trust

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AHAM SINGLE BOND SERIES 2

Quarterly Report and Financial Statements As at 31 July 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Single Bond Series 2
Fund Type	Income
Fund Category	Bond (Wholesale)
Investment Objective	The Fund aims to provide regular income over the medium to long term period
Benchmark	12-month Malayan Banking Berhad Fixed Deposit Rate
Distribution Policy	Subject to the availability of income, the Fund will provide distribution on an annual basis

FUND PERFORMANCE DATA

Category	As at 31 Jul 2024	As at 30 Apr 2024
Total NAV (USD'million)	-0.635	-0.635
NAV per Unit (USD)	0.0000	0.0000
Unit in Circulation (million)	96.950	96.950

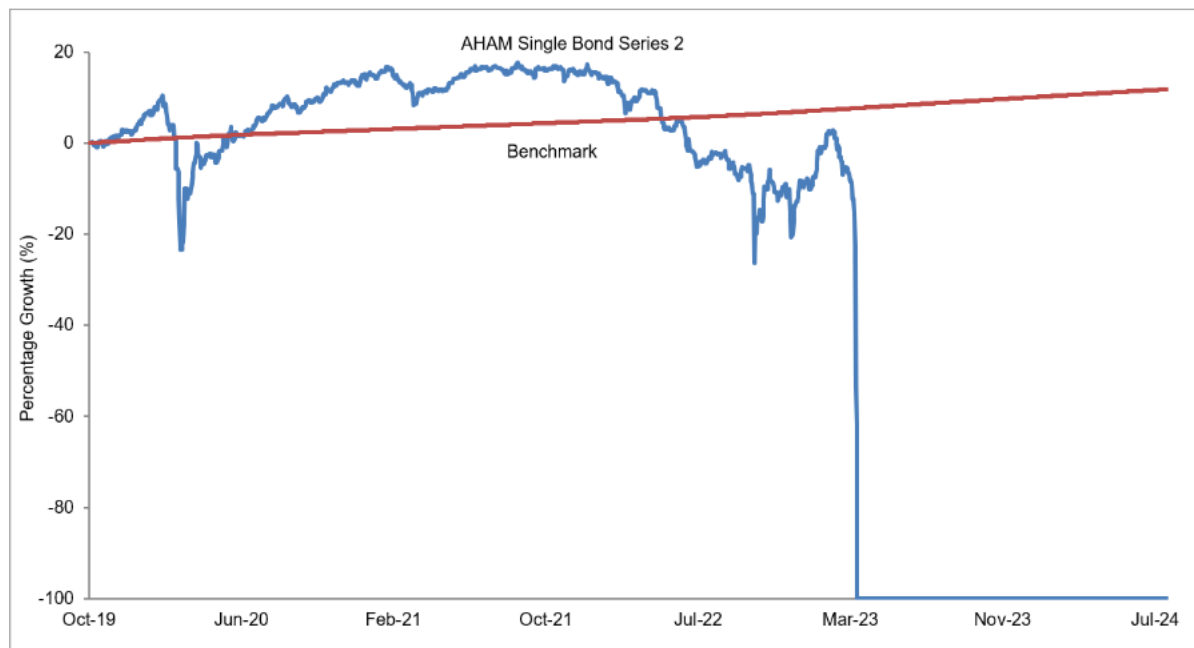
Fund Performance

Table 1: Performance as at 31 July 2024

	3 Months (1/5/24 - 31/7/24)	6 Months (1/2/24 - 31/7/24)	1 Year (1/8/23 - 31/7/24)	3 Years (1/8/21 - 31/7/24)	Since Commencement (25/10/19 - 31/7/24)
Fund	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)
Benchmark	0.65%	1.31%	2.73%	7.62%	11.82%
Outperformance	(100.65%)	(101.31%)	(102.73%)	(107.62%)	(111.82%)

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 Malayan Banking Berhad Fixed Deposit Rate

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 2024

 (%)
 Nil

Income Distribution Breakdown

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

Strategies Employed

The Manager of the Fund is currently in the process of seeking recovery on its investment via the class action lawsuit post the write off event. Please see the section on State of Affairs of the Fund for further information.

Market Review

Over the period under review, we started the year 2024 with the US government bond market pricing in high expectations of 6-7 interest rate cuts for full year 2024 which were then eventually repriced to 1-2 cuts. Economic data in the US that eventhough showed signs of gradual softening, overall proved to be more resilient than markets have expected. As a result, there have been reversal of market expectations of interest rate cuts. US treasury yields rose from 3.91% and ended April at 4.68%. The rise in global bond yields during this period were offset by the tightening in credit spreads as demand for corporate bonds have been strong.

As a recap, following the unprecedented and controversial decision by the Swiss Financial Market Supervisory Authority ("FINMA") on 19 March 2023 to write-down CHF16 billion of Credit Suisse's Additional Tier 1 ("AT1") securities, UBS Group AG ("UBS") announced on 12 June 2023 that it has formally completed the acquisition of Credit Suisse. On 11 August 2023, UBS announced that it has ended the CHF9 billion loss protection agreement and the CHF100 billion public liquidity backstop that were initially put in place by the Swiss government back in March. This announcement followed a comprehensive assessment of Credit Suisse's potential losses which were not as significant as earlier anticipated. Additionally, Credit Suisse has also fully repaid an emergency liquidity assistance loan of CHF50 billion obtained from the Swiss National Bank ("SNB"). Further to this, on 31 August 2023, UBS posted its quarterly earnings results following its acquisition of Credit Suisse. It reported a quarterly profit before tax (PBT) of USD29.2 billion, including a USD28.9 billion of negative goodwill from the acquisition. If excluding the negative goodwill and also integration-related expenses and acquisition costs, UBS' adjusted profit before tax is USD1.1 billion. In its latest 2Q2024 results, UBS reported Profit before tax of USD1.5 billion and CET1 capital ratio of 14.9%.

Since the announcement in March 2023, European AT1 bond prices has seen a sharp correction but also subsequently rebounded as investors viewed the global banking space as still resilient overall while demand for credits remained strong. On the other hand, specifically for Credit Suisse AT1s, several investor groups globally have initiated legal proceedings seeking compensation as a result of the write-down. Quinn Emanuel Urquhart & Sullivan LLP ("Quinn Emanuel") and UK-based Pallas launched separate Swiss lawsuits against FINMA over the decision. Quinn Emanuel is representing plaintiffs with USD 6 billion of AT1 claims, while Pallas's clients holds about USD 2 billion of Credit Suisse AT1s.

Investment Outlook

Please see the section below on State of Affairs of the Fund for developments on the investment of the Fund.

State of Affairs of the Fund

Due to Swiss Financial Market Supervisory Authority ("FINMA")'s decision to write off the Credit Suisse AT1 as announced in the UBS-Credit Suisse merger on March 19, 2023, the fund's sole investment holding in the USD CS 6.375% AT1 has been impacted. As a result, the net asset value of the AHAM Single Bond Series 2 (the "Fund") was RM -691,466 on 31 March 2023. As of 31 July 2024, the AHAM Single Bond Series 2's net asset value (NAV) was RM-635,430 after accounting for tax liability, unwinding of FX hedges, and other liabilities. Pursuant to the Securities Commission's Guidelines, the investors' liabilities are limited to the amount invested in the Wholesale Fund, resulting in a NAV per unit quoted at RM0.00.

The Fund is currently represented by Quinn Emanuel Urquhart & Sullivan LLP ("Quinn Emanuel") in a class action against the FINMA and UBS in Switzerland. Quinn Emanuel is a reputable worldwide legal firm known to have vast expertise, experience and have a proven record of accomplishment in managing comparable cases.

On 18 April 2023, Quinn Emanuel filed bondholding information, including address, notional amount, market value, and International Securities Identification Number ("ISIN") as required by Swiss Federal Administrative

Court ("SFAC"), which included information on the bond holdings of the Fund as at the date of the write-down to the SFAC and the filing was duly acknowledged. A judge was assigned to oversee the proceedings. The Court had further ordered the disclosure of FINMA's decree ordering Credit Suisse (now UBS) to write down the AT1 bonds, requested the appellants' further submissions on the decree's significance, and ordered FINMA to produce the full file regarding its write-down decision.

The legal proceeding is ongoing, and the Manager is maintaining close communication with Quinn Emanuel on the progress of the lawsuit. As of 31 July 2024, there have been no new developments in the lawsuit. Any material developments will be promptly communicated to investors.

The Manager is currently covering for the legal expenses incurred by the Fund and will bear the legal expenses if the recovery is unsuccessful. In the event of a successful recovery, the recovery proceeds received by the Fund, after deducting any applicable tax liabilities, pre-paid legal fees by the Manager, and any other incidental costs relating to the legal proceeding, will be paid to you based on the number of units you hold. Additionally, the Manager will bear the statutory expenses post-write off to keep the Fund operational, so as unitholders may receive official updates via the Quarterly and Annual reports.

AHAM SINGLE BOND SERIES 2

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

	Financial period ended <u>31.7.2024</u> RM	Financial period ended <u>31.7.2023</u> RM
INVESTMENT INCOME/(LOSS)		
Interest income from financial assets at amortised cost	411	20,158
Interest income from financial assets at fair value through profit or loss	19,457	360,814
Net gain on foreign currency exchange	-	61,645
Net loss on currency swaps at fair value through profit or loss	-	(6,699,145)
Net loss on financial assets at fair value through profit or loss	(19,457)	(76,559,825)
	<u>411</u>	<u>(82,816,353)</u>
EXPENSES		
Trustee fee	-	(2,473)
Fund accounting fee	-	(2,000)
Other expenses	-	(2,845)
	<u>-</u>	<u>(7,318)</u>
NET PROFIT/(LOSS) BEFORE TAXATION	411	(82,823,671)
Taxation	-	(109,040)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD	<u>411</u>	<u>(82,932,711)</u>
Net profit/(loss) after taxation is made up of the following:		
Realised amount	411	(3,184,763)
Unrealised amount	-	(79,747,948)
	<u>411</u>	<u>(82,932,711)</u>

AHAM SINGLE BOND SERIES 2

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	55,179	794,437
TOTAL ASSETS	<u>55,179</u>	<u>794,437</u>
LIABILITIES		
Amount due to Manager		
- others	639,260	-
Tax agent's fee	-	3,500
Tax payable	49,523	1,381,415
Other payables and accruals	1,826	47,108
TOTAL LIABILITIES	<u>690,609</u>	<u>1,432,023</u>
NET ASSET VALUE OF THE FUND	<u>(635,430)</u>	<u>(637,586)</u>
EQUITY		
Unitholders' capital	94,072,460	94,072,460
Accumulated losses	(94,707,890)	(94,710,046)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(635,430)</u>	<u>(637,586)</u>
NUMBER OF UNITS IN CIRCULATION	<u>96,950,000</u>	<u>96,950,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>0.0000</u>	<u>0.0000</u>

AHAM SINGLE BOND SERIES 2

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

	<u>capital</u> RM	Unitholders' <u>losses</u> RM	Accumulated <u>Total</u> RM
Balance as at 1 February 2024	94,072,460	(94,708,301)	(635,841)
Total comprehensive income for the financial period	-	411	411
Balance as at 31 July 2024	<u>94,072,460</u>	<u>(94,707,890)</u>	<u>(635,430)</u>
Balance as at 1 February 2023	94,160,294	(10,030,435)	84,129,859
Total comprehensive loss for the financial period	-	(82,932,711)	(82,932,711)
Distribution	-	(1,746,900)	(1,746,900)
Movement in unitholder's capital:			
Creation of units arising from distribution	165,343	-	165,343
Cancellation of units	(253,177)	-	(253,177)
Balance as at 31 July 2023	<u>94,072,460</u>	<u>(94,710,046)</u>	<u>(637,586)</u>

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