



QUARTERLY REPORT
31 July 2024

AHAM Single Bond Series 5

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 5

Quarterly Report and Financial Statements As at 31 July 2024

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	AHAM Single Bond Series 5
Fund Type	Income
Fund Category	Bond (wholesale)
Investment Objective	The Fund aims to provide regular income over 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)	33.371	39.155
NAV per Unit (USD)	0.9764	0.9721
Unit in Circulation (million)	34.177	40.281

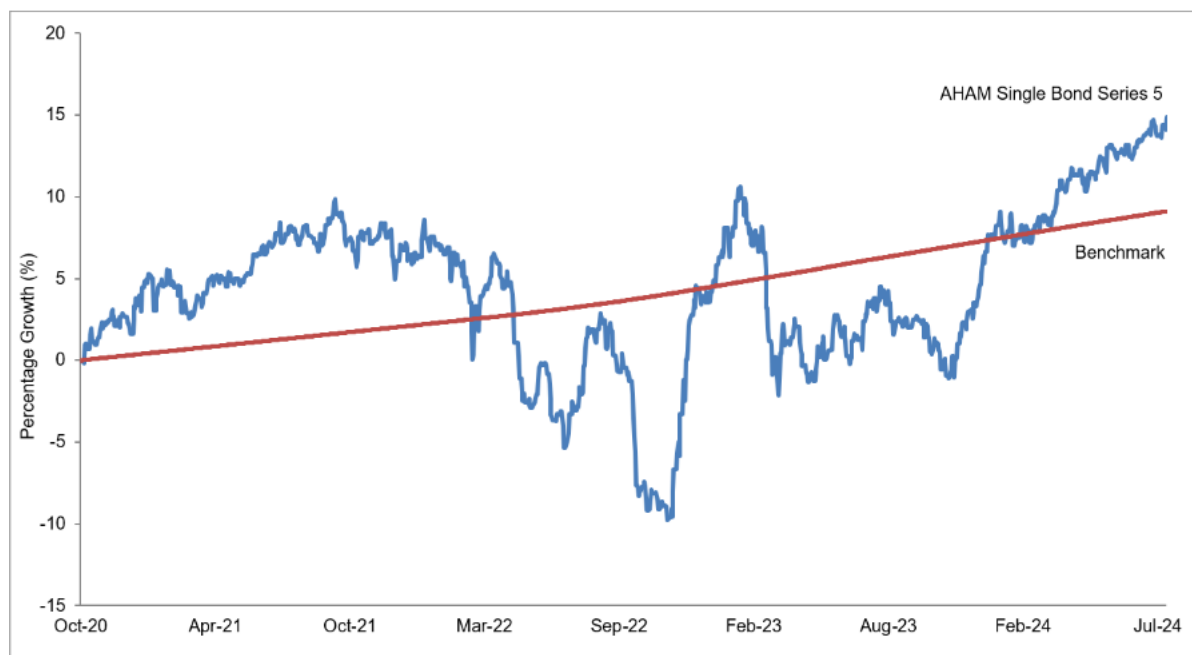
Fund Performance

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 (30/10/20 - 31/7/24)
Fund	3.06%	6.26%	11.55%	7.27%	14.87%
Benchmark	0.65%	1.31%	2.73%	7.62%	9.12%
Outperformance	2.41%	4.95%	8.82%	(0.35%)	5.75%

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
	(%)
Fixed Income	101.03
Derivatives	-4.87
Cash & money market	3.84
Total	100.00

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2024-05-28	2.4900	100	-	-
MYR	2023-05-25	1.5400	100	-	-
MYR	2022-05-25	2.3000	100	-	-
MYR	2021-06-01	2.5000	100	-	-

Strategies Employed

The Fund's investment would solely consist of a bond (including hybrid security such as an Additional Tier 1 security). The Fund will remain invested while leaving slight cash buffers to meet any potential repurchase requirement.

Market Review

As a recap, the US Federal Reserve (Fed) has aggressively raised interest rates by around 500 basis points (bps) from March 2022 until July 2023. Moreover, central banks started Quantitative Tightening, reining in their balance sheets. These measures previously triggered market adjustments in the global bond market.

Over the 12-month period under review ending July 2024, global bond markets have been better behaved while risk sentiment were stronger as compared to the previous period. The US treasury yields ranged from 3.8% to 5% but were broadly flat from point-to-point at around 4%. Within the period, we have seen markets pricing in multiple rate cuts but at times were quick to reverse that expectation as well. Some notable key economic developments contributing to this was the better-than-expected economic data in the US. That said, we overall saw gradual softening in the developed economies' labour market coupled with lower inflationary data. This has eased pressure on central banks to further normalize interest rates. The Fed has stopped raising interest rates since the middle of 2023, which has translated to mostly unchanged US Fed Fund Rate over the period under review. Closer to home, Bank Negara Malaysia has continuously kept the Overnight Policy Rate unchanged at 3% since the last hike seen in May 2023, supported by the relatively moderate inflation and the central bank's stance to support growth.

Within the European banking space, results released by major financial institutions were overall decent underpinned by higher base of net interest income, cost discipline and low provision costs. Importantly, the fundamentals global banks continued to show they have overall higher than pre-pandemic capital ratios while maintaining good liquidity metrics. Investors sentiment remain upbeat this year in fixed income securities such as additional tier 1 securities and this has translated to improving bond prices.

Investment Outlook

The current global economic landscape presents both challenges and opportunities. Valuations of bonds in terms of yields are still considerably attractive. After the sharp rise of interest rates in the last 2-3 years, bonds are generally offering an attractive yield carry. The Fed Fund Rate today is at 5.5%. We view US interest rates have likely peaked and is expected to begin cutting interest rates as early as in the second half of 2024. The case is supported by slowing inflation and cooling of the tight labour market. We are also seeing encouraging signs of disinflation in the Shelter component of the US inflationary data. There have been more central banks cutting interest rates in recent months such as European Central Bank and Bank of England. Lower interest rates will be supportive of bond valuations.

As for the underlying issuer, HSBC Holdings PLC has demonstrated decent performance when measured in terms of its earnings and balance sheet metrics. We expect global growth to be more moderate in the nearer term, which may translate to some normalization of earnings and credit costs. That said, there is sizable earnings and capital buffer to cushion against potential slowdown in global economic growth. Since the acquisition of Credit Suisse by UBS in 2023, major financial institutions particularly in Europe have continued to call their AT1 issuances on their first call dates. This reflects strong capital buffers, financial flexibility and investor-friendly stance, even amidst economic and financial market uncertainties. This show of commitment, particularly in a high-interest rate landscape, bolstered investor confidence.

On the flipside, it is worth cautioning on some possible scenarios that may have adverse implications on bond investments. For example, one of the risks is reacceleration of inflation in 2025. This could be anchored by consumer spending if the labour market remains tight. Additionally, the Bank of Japan has exited negative interest rates and yield curve control policy but there will be further speculation on whether the central bank will further normalise its monetary policy, leading to concerns of the unwinding of carry trades. Such events could introduce volatility to markets. On the geopolitical front, there are various conflicts that are unfolding and may have mixed implications. All these warrants closer monitoring.

AHAM SINGLE BOND SERIES 5

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/(LOSS)		
Interest income from financial assets at amortised cost	18,466	114,585
Interest income from financial assets at fair value through profit or loss	1,502,512	1,740,341
Net loss on foreign currency exchange	(1,137,098)	(1,614,242)
Net gain/(loss) on currency swap at fair value through profit or loss	2,312,927	(4,013,794)
Net loss on financial assets at fair value through profit or loss	(214,969)	(268,518)
	<u>2,481,838</u>	<u>(4,041,628)</u>
EXPENSES		
Management fee	(95,713)	(146,645)
Trustee fee	(7,657)	(11,876)
Fund accounting fee	(6,000)	(7,000)
Auditors' remuneration	(4,090)	(4,125)
Tax agent's fee	(1,789)	(1,805)
Other expenses	(7,722)	(12,901)
	<u>(122,971)</u>	<u>(184,352)</u>
NET PROFIT/(LOSS) BEFORE TAXATION	2,358,867	(4,225,980)
Taxation	-	(477,168)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD	<u>2,358,867</u>	<u>(4,703,148)</u>
Net profit/(loss) after taxation is made up of the following:		
Realised amount	503,108	(859,883)
Unrealised amount	1,855,759	(3,843,265)
	<u>2,358,867</u>	<u>(4,703,148)</u>

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	<u>2024</u> RM	<u>2023</u> RM
ASSETS		
Cash and cash equivalents	869,958	13,435,609
Financial assets at fair value through profit or loss	34,110,909	40,224,965
Currency swap at fair value through profit or loss	-	151,682
Tax recoverable	34,701	-
TOTAL ASSETS	<u>35,015,568</u>	<u>53,812,256</u>
LIABILITIES		
Currency swap at fair value through profit or loss	1,617,681	1,472,214
Amount due to Manager		
- management fee	14,697	21,580
- cancellation of units	-	229,550
Amount due to Trustee	1,176	1,726
Fund accounting fee	1,000	1,000
Auditors' remuneration	4,090	4,125
Tax agent's fee	5,289	5,305
Tax payable	-	1,394,011
Other payables and accruals	913	47,801
TOTAL LIABILITIES	<u>1,644,846</u>	<u>3,177,312</u>
NET ASSET VALUE OF THE FUND	<u>33,370,722</u>	<u>50,634,944</u>
EQUITY		
Unitholders' capital	34,212,565	53,962,124
Accumulated losses	(841,843)	(3,327,180)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>33,370,722</u>	<u>50,634,944</u>
NUMBER OF UNITS IN CIRCULATION	<u>34,177,000</u>	<u>55,230,000</u>
NET ASSET VALUE PER UNIT (RM)	<u>0.9764</u>	<u>0.9168</u>

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

	Unitholders' <u>capital</u> RM	Accumulated losses RM	<u>Total</u> RM
Balance as at 1 February 2024	43,818,546	(2,238,001)	41,580,545
Total comprehensive income for the financial period	-	2,358,867	2,358,867
Distribution	-	(962,709)	(962,709)
Movement in unitholder's capital:			
Creation of units arising from application	694	-	694
Creation of units arising from distribution	76,645	-	76,645
Cancellation of units	(9,683,320)	-	(9,683,320)
Balance as at 31 July 2024	<u>34,212,565</u>	<u>(841,843)</u>	<u>33,370,722</u>
Balance as at 1 February 2023	91,714,272	2,250,965	93,965,237
Total comprehensive loss for the financial period	-	(4,703,148)	(4,703,148)
Distribution	-	(874,997)	(874,997)
Movement in unitholder's capital:			
Creation of units arising from distribution	82,459	-	82,459
Cancellation of units	(37,834,607)	-	
Balance as at 31 July 2023	<u>53,962,124</u>	<u>(3,327,180)</u>	<u>50,634,944</u>

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