

Affin Hwang World Series - Global Dividend Growth Fund

Quarterly Report
28 February 2022

Out **think.** Out **perform.**



AFFIN HWANG
CAPITAL

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AFFIN HWANG WORLD SERIES – GLOBAL DIVIDEND GROWTH FUND

Quarterly Report and Financial Statements As at 28 February 2022

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Dividend Growth Fund
Fund Type	Income & Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation and provide regular income over medium to long term period.
Distribution Policy	Depending on the level of income that the Fund generates, the Fund will provide distribution on a quarterly basis.

FUND PERFORMANCE DATA

USD Class

Category	As at 28 Feb 2022
Total NAV (million)	3.991
NAV per Unit (USD)	0.4551
Unit in Circulation (million)	8.769

MYR-Hedged class

Category	As at 28 Feb 2022
Total NAV (million)	81.973
NAV per Unit (RM)	0.4599
Unit in Circulation (million)	178.247

SGD-Hedged class

Category	As at 28 Feb 2022
Total NAV (million)	3.923
NAV per Unit (SGD)	0.4577
Unit in Circulation (million)	8.570

AUD-Hedged class

Category	As at 28 Feb 2022
Total NAV (million)	2.833
NAV per Unit (AUD)	0.4651
Unit in Circulation (million)	6.091

Fund Performance

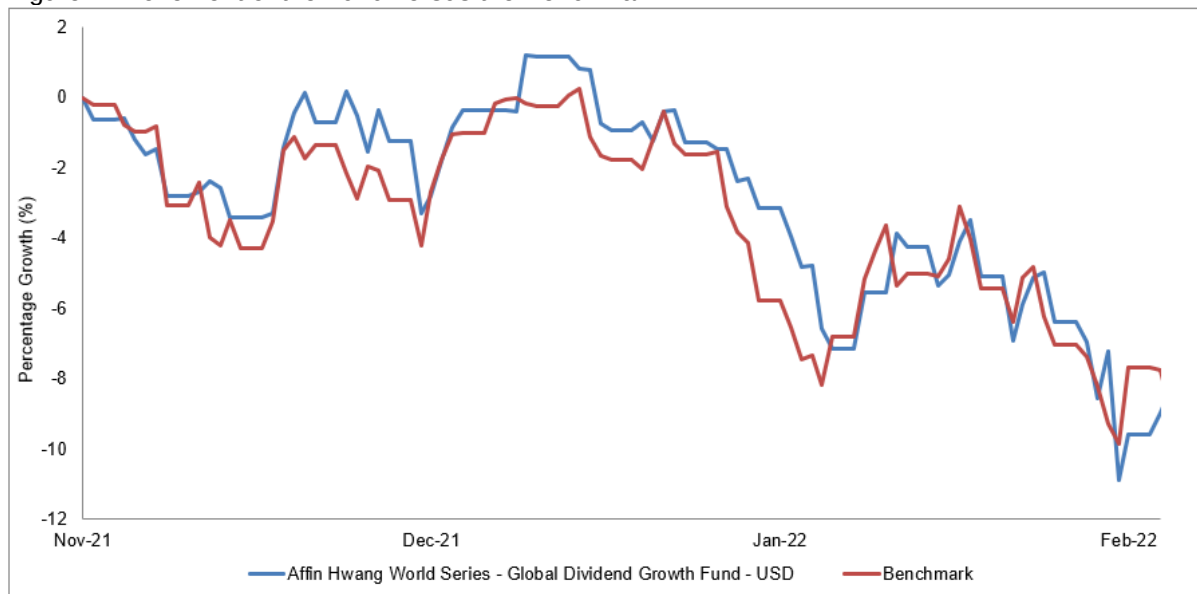
USD Class

Table 1: Performance as at 28 February 2022

	3 Months (1/12/21 - 28/2/22)	Since Commencement (19/11/21 - 28/2/22)
Fund	(6.78%)	(8.98%)
Benchmark	(3.92%)	(7.74%)
Outperformance	(2.86%)	(1.24%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



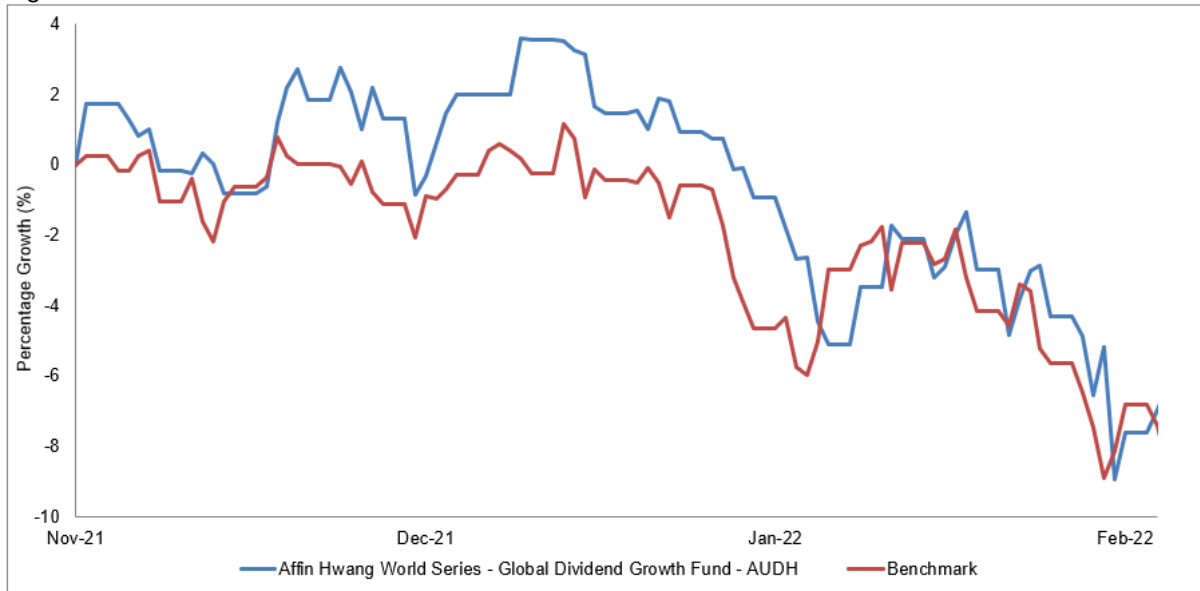
AUD Hedged Class

Table 1: Performance as at 28 February 2022

	3 Months (1/12/21 - 28/2/22)	Since Commencement (19/11/21 - 28/2/22)
Fund	(7.28%)	(6.98%)
Benchmark	(5.91%)	(7.43%)
Outperformance	(1.37%)	0.45%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



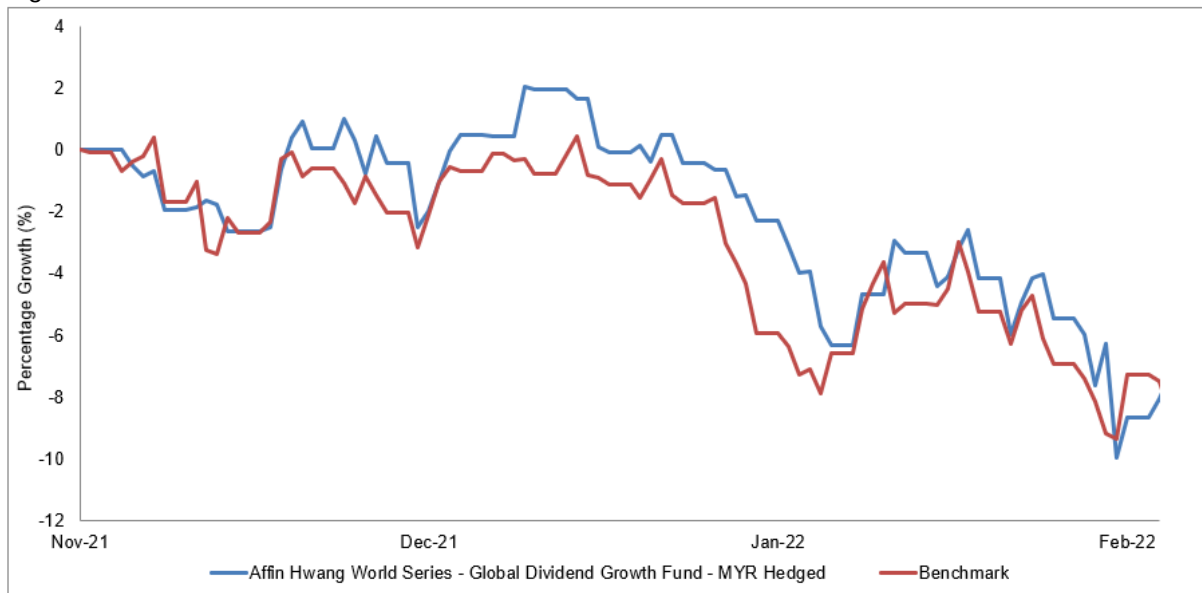
MYR Hedged Class

Table 1: Performance as at 28 February 2022

	3 Months (1/12/21 - 28/2/22)	Since Commencement (19/11/21 - 28/2/22)
Fund	(6.51%)	(8.02%)
Benchmark	(4.37%)	(7.46%)
Outperformance	(2.14%)	(0.56%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



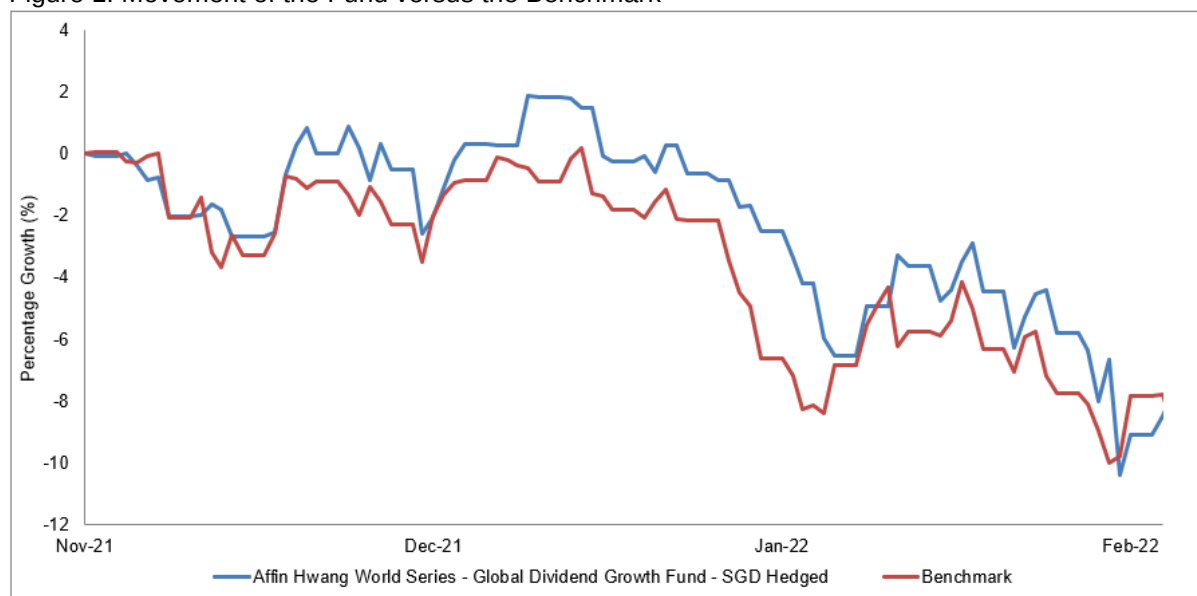
SGD Hedged Class

Table 1: Performance as at 28 February 2022

	3 Months (1/12/21 - 28/2/22)	Since Commencement (19/11/21 - 28/2/22)
Fund	(6.95%)	(8.46%)
Benchmark	(4.73%)	(7.78%)
Outperformance	(2.22%)	(0.68%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) 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: MSCI All Country World Index

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:

	28 February 2022 (%)
Unit Trust	97.82
Derivative	0.18
Cash & money market	2.00
Total	100.00

Strategies Employed & Investment Outlook

Markets started off 2022 with hopes that the end of the pandemic was near while strong economic activities were also evidently picking up in many regions. The Russian invasion of Ukraine fundamentally altered this optimistic picture, with tragic consequences for the Ukraine population. Fortunately, the Fund does not have direct exposure to any Russian or Ukrainian companies with only less than 10% of revenue derived from these countries.

In the near term, higher energy prices will fuel inflation and divert consumer spending away from goods and services. We continue to believe that the portfolio will remain robust in an inflationary environment where companies invested in have strong pricing power.

In the longer term, higher energy prices will likely accelerate the energy transition away from fossil fuels. The portfolio holds some enablers of this transition which will benefit in the long run.

Geopolitical tensions and uncertainty revolving the economic outlook will continue to jolt market volatility. It is at times like this that quality companies widen the gap with their competitors and ultimately, emerge stronger. The key focus remains on assembling a portfolio that exhibits higher ROE and FCF margins, stable dividend growth and lower leverage.

Market Review

Global equities started 2021 on a strong note buoyed by policy easing and optimism surrounding global vaccination rollouts. However, the global recovery grew at an uneven pace as developed markets posted stronger gains compared to emerging markets.

Developed markets have managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility. The S&P 500 index pierced new highs in the year underpinned by a strong earnings rebound as businesses clambered to meet renewed demand.

However, the rally was tested by surging bond yields in the 1Q'2021 as well as the spectre of inflation that would spook investors for the rest of the year. Inflation vaulted strongly from a low-base effect as supply chain disruptions associated with the pandemic led to a sharp increase in input prices.

Markets were soothed initially by dovish comments from the US Federal Reserve which pledged to keep monetary policy accommodative. Fed Chair Jerome Powell held the view that inflation was transitional and that supply-demand imbalances would begin to ease which would cool down inflation.

However with inflation proving stickier than expected, the Fed relented towards the end of year and pivoted towards a hawkish stance. At its policy meeting, the Fed signaled that it would start accelerating its tapering of bond purchases that would pave the way for 3 rate hikes in 2022.

Meanwhile in Asia, the broader MSCI Asia ex-Japan index ended the year down as the region reeled from the Delta variant that led to fresh lockdowns being imposed and a surge in hospitalization rates.

The region was also pulled down by weaker performance in China as authorities cast a wide regulatory dragnet which impacted a range of sectors including technology, education and e-commerce. This was part of a wider 'common prosperity' drive by Beijing to narrow the income gap and increase the political legitimacy of the Communist Party which celebrated its 100th anniversary in 2021.

On the domestic front, the local market mirrored regional losses with the benchmark KLCI closing lower in the year. A litany of concerns sent the stock market on a volatile path with fresh lockdowns, political instability as well as new taxes proposed under Budget 2022.

Markets were also jolted when the government announced a one-off prosperity tax (Cukai Makmur) during the tabling of Budget 2022 for companies that earned super profits. This quelled the initial optimism from economic reopening as earnings forecasts are pared down.

However, the government made U-turns on other tax measures proposed under Budget 2022 including reinstating the exemption of all types of foreign incomes for individuals from tax as well as stamp duty cap. Markets were concerned that these initial measures would dampen sentiment and reduce market vibrancy as well as velocity of trading. However, the local market saw support on the back of easing policy headwinds as investors also price-in better growth prospects.

Coming into February 2022, the FBM 100 index fell 5.1%, buoyed by plantation and commodity-related names which got a boost from the spike in commodities prices over the month. Corporate earnings saw consumer and plantation names beating estimates. As a reopening play, consumer stocks are benefitting from pent-up demand while plantation stocks benefitted from high CPO prices.

AFFIN HWANG WORLD SERIES - GLOBAL DIVIDEND GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

Financial
period ended
28.2.2022
USD

INVESTMENT LOSS

Interest income from financial assets at amortised cost	1,752
Net loss on foreign currency exchange	(49,463)
Net gain on forward foreign currency contracts at fair value through profit or loss	63,675
Net loss on financial assets at fair value through profit or loss	(2,386,842)
	<u>(2,370,878)</u>

EXPENSES

Management fee	(84,730)
Trustee fee	(4,236)
Fund accounting fee	(558)
Auditors' remuneration	(715)
Tax agent's fee	(313)
Other expenses	(1,496)
	<u>(92,048)</u>

NET LOSS BEFORE TAXATION	(2,462,926)
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Taxation	-
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DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(2,462,926)</u>
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Decrease in net asset attributable to
unitholders is made up of the following:

Realised amount	(85,752)
Unrealised amount	(2,377,174)
	<u>(2,462,926)</u>

AFFIN HWANG WORLD SERIES - GLOBAL DIVIDEND GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022

2022
USD

ASSETS

Cash and cash equivalents	478,195
Amount due from brokers	356,832
Amount due from Manager	
- creation of units	23,876
- management fee rebate receivable	5,621
Financial assets at fair value through profit or loss	27,827,242
Forward foreign currency contracts at fair value through profit or loss	76,838
TOTAL ASSETS	28,768,604

LIABILITIES

Forward foreign currency contracts at fair value through profit or loss	24,970
Amount due to Manager	
- management fee	26,995
- cancellation of units	265,438
Amount due to Trustee	1,349
Auditors' remuneration	715
Tax agent's fee	313
Other payables and accruals	179
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	319,959

NET ASSET VALUE OF THE FUND

28,448,645

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

28,448,645

AFFIN HWANG WORLD SERIES - GLOBAL DIVIDEND GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022 (CONTINUED)

2022

USD

REPRESENTED BY:

FAIR VALUE OF OUTSTANDING UNITS

- AUD Hedged-class	2,039,974
- MYR Hedged-class	19,531,326
- SGD Hedged-class	2,886,554
- USD Class	3,990,791
	28,448,645

NUMBER OF UNITS IN CIRCULATION

- AUD Hedged-class	6,091,000
- MYR Hedged-class	178,247,000
- SGD Hedged-class	8,570,000
- USD Class	8,769,000
	201,677,000

NET ASSET VALUE PER UNIT (USD)

- AUD Hedged-class	0.3349
- MYR Hedged-class	0.1096
- SGD Hedged-class	0.3368
- USD Class	0.4551

NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES

- AUD Hedged-class	AUD0.4651
- MYR Hedged-class	RM0.4599
- SGD Hedged-class	SGD0.4577
- USD Class	USD0.4551

AFFIN HWANG WORLD SERIES - GLOBAL DIVIDEND GROWTH FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

Financial
period ended
28.2.2022
USD

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH

-

Movement due to units created and cancelled during
the financial period

Creation of units arising from applications

31,739,017

- AUD Hedged-class
- MYR Hedged-class
- SGD Hedged-class
- USD Class

2,352,277
21,858,596
3,168,293
4,359,851

Cancellation of units

(827,446)

- AUD Hedged-class
- MYR Hedged-class
- SGD Hedged-class

(136,653)
(653,843)
(36,950)

Net decrease in net asset attributable to
unitholders during the financial period

(2,462,926)

- AUD Hedged-class
- MYR Hedged-class
- SGD Hedged-class
- USD Class

(175,650)
(1,673,427)
(244,789)
(369,060)

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD

28,448,645

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