

# Affin Hwang World Series - Global Sustainability Fund

Annual Report  
30 June 2022

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



**AFFIN HWANG**  
CAPITAL

**MANAGER**  
Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**  
TMF Trustees Malaysia Berhad  
(200301008392 [610812-W])

# AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

## Annual Report and Audited Financial Statements For The Financial Year Ended 30 June 2022

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## FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Sustainability Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Benchmark	Dow Jones Sustainability World Index
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate

## FUND PERFORMANCE DATA

Category	As at 30 Jun 2022 (%)				As at 30 Jun 2021 (%)			
Portfolio composition								
<b>Collective investment scheme</b>	98.69				97.97			
<b>Cash and cash equivalent</b>	1.31				2.03			
<b>Total</b>	<b>100.00</b>				<b>100.00</b>			
Currency class	USD Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	USD Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class
Total NAV (million)	12.750	219.177	10.075	12.567	7.642	197.416	5.972	9.431
NAV per Unit (in respective currencies)	0.4981	0.5067	0.4866	0.4758	0.5932	0.5975	0.5836	0.5794
Unit in Circulation (million)	25.598	432.566	20.703	26.411	12.883	330.429	10.232	16.276
Highest NAV	0.6516	0.6591	0.6400	0.6325	0.5947	0.5990	0.5852	0.5809
Lowest NAV	0.4872	0.4961	0.4761	0.4656	0.4698	0.4713	0.4665	0.4669
Return of the Fund (%)	-16.03	-15.20	-16.62	-17.88	18.64	19.50	16.72	15.88
- Capital Growth (%)	-16.03	-15.20	-16.62	-17.88	18.64	19.50	16.72	15.88
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) <sup>1</sup>		1.88				1.50		
Portfolio Turnover Ratio (times) <sup>2</sup>		0.27				0.92		

### **Basis of calculation and assumption made in calculating the returns:-**

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	= NAV per Unit end / NAV per Unit begin – 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) – 1

<sup>1</sup> The TER of the Fund increased as the total expenses incurred by the Fund increased during the financial period under review.

<sup>2</sup> The PTR of the Fund decreased as the average NAV of the Fund increased during the financial period under review.

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 30 June 2022.

### Performance Review

#### USD Class

For the period 1 July 2021 to 30 June 2022, the Fund registered a -16.03% return compared to the benchmark return of -12.51%. The Fund thus underperformed the Benchmark by 3.52%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2022 was USD0.4981 while the NAV per unit on 30 June 2021 was USD0.5932.

Since commencement, the Fund has registered a return of -0.38% compared to the benchmark return of 8.75%, underperforming by 9.13%.

Table 1: Performance of the Fund

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(16.03%)</b>	<b>(0.38%)</b>
<b>Benchmark</b>	<b>(12.51%)</b>	<b>8.75%</b>
<b>Outperformance</b>	<b>(3.52%)</b>	<b>(9.13%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(16.03%)</b>	<b>(0.22%)</b>
<b>Benchmark</b>	<b>(12.51%)</b>	<b>4.96%</b>
<b>Outperformance</b>	<b>(3.52%)</b>	<b>(5.18%)</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022 (1/7/21 - 30/6/22)</b>	<b>FYE 2021 (6/10/20 - 30/6/21)</b>
<b>Fund</b>	<b>(16.03%)</b>	<b>18.64%</b>
<b>Benchmark</b>	<b>(12.51%)</b>	<b>24.30%</b>
<b>Outperformance</b>	<b>(3.52%)</b>	<b>(5.66%)</b>

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.



### **AUD Hedged-class**

For the period 1 July 2021 to 30 June 2022, the Fund registered a -17.88% return compared to the benchmark return of -5.10%. The Fund thus underperformed the Benchmark by 12.78%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2022 was AUD0.4758 while the NAV per unit on 30 June 2021 was AUD0.5794.

Since commencement, the Fund has registered a return of -4.84% compared to the benchmark return of 13.07%, underperforming by 17.91%.

Table 1: Performance of the Fund

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(17.88%)</b>	<b>(4.84%)</b>
<b>Benchmark</b>	<b>(5.10%)</b>	<b>13.07%</b>
<b>Outperformance</b>	<b>(12.78%)</b>	<b>(17.91%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(17.88%)</b>	<b>(2.82%)</b>
<b>Benchmark</b>	<b>(5.10%)</b>	<b>7.34%</b>
<b>Outperformance</b>	<b>(12.78%)</b>	<b>(10.16%)</b>

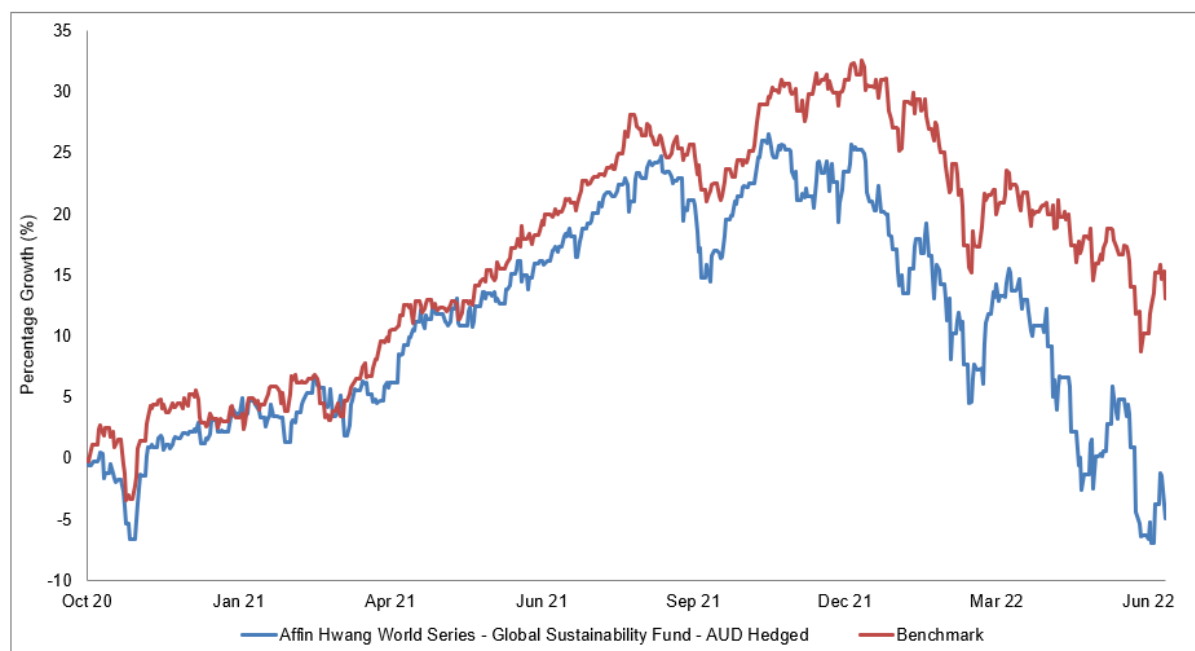
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022 (1/7/21 - 30/6/22)</b>	<b>FYE 2021 (6/10/20 - 30/6/21)</b>
<b>Fund</b>	<b>(17.88%)</b>	<b>15.88%</b>
<b>Benchmark</b>	<b>(5.10%)</b>	<b>19.14%</b>
<b>Outperformance</b>	<b>(12.78%)</b>	<b>(3.26%)</b>

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.



### **MYR Hedged-class**

For the period 1 July 2021 to 30 June 2022, the Fund registered a -15.20% return compared to the benchmark return of -7.12%. The Fund thus underperformed the Benchmark by 8.08%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2022 was RM0.5067 while the NAV per unit on 30 June 2021 was RM0.5975.

Since commencement, the Fund has registered a return of 1.34% compared to the benchmark return of 15.36%, underperforming by 14.02%.

Table 1: Performance of the Fund

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(15.20%)</b>	<b>1.34%</b>
<b>Benchmark</b>	<b>(7.12%)</b>	<b>15.36%</b>
<b>Outperformance</b>	<b>(8.08%)</b>	<b>(14.02%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(15.20%)</b>	<b>0.77%</b>
<b>Benchmark</b>	<b>(7.12%)</b>	<b>8.59%</b>
<b>Outperformance</b>	<b>(8.08%)</b>	<b>(7.82%)</b>

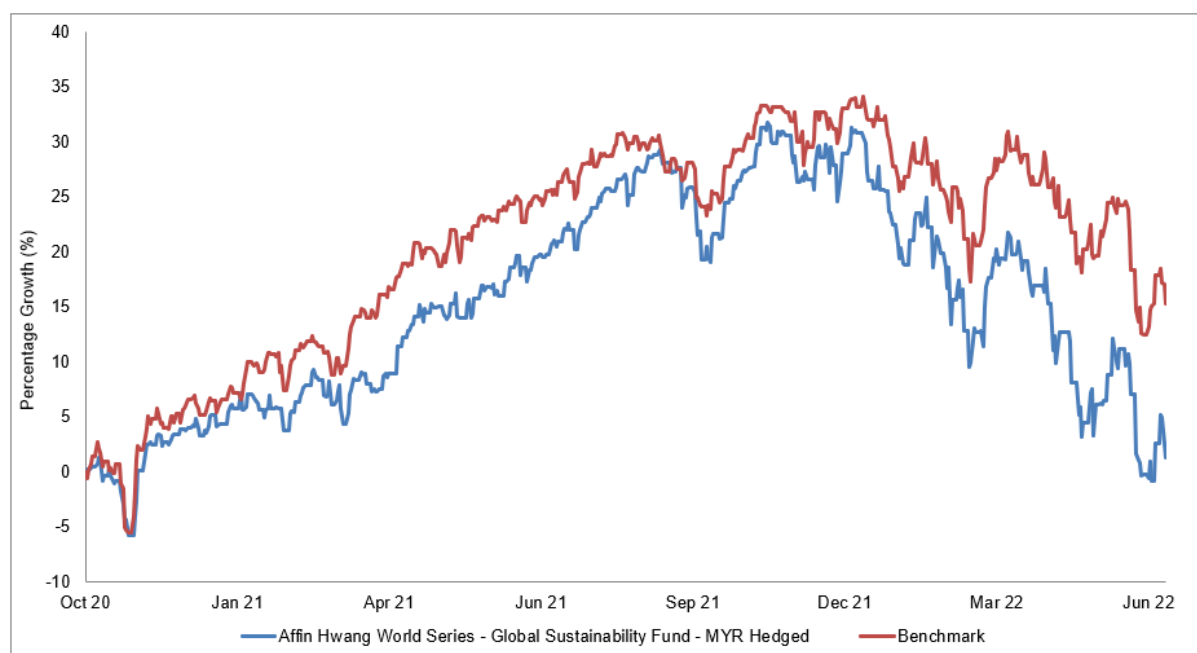
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022 (1/7/21 - 30/6/22)</b>	<b>FYE 2021 (6/10/20 - 30/6/21)</b>
<b>Fund</b>	<b>(15.20%)</b>	<b>19.50%</b>
<b>Benchmark</b>	<b>(7.12%)</b>	<b>24.21%</b>
<b>Outperformance</b>	<b>(8.08%)</b>	<b>(4.71%)</b>

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.



### **SGD Hedged-class**

For the period 1 July 2021 to 30 June 2022, the Fund registered a -16.62% return compared to the benchmark return of -9.68%. The Fund thus underperformed the Benchmark by 6.94%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2022 was SGD0.4866 while the NAV per unit on 30 June 2021 was SGD0.5836.

Since commencement, the Fund has registered a return of -2.68% compared to the benchmark return of 11.06%, underperforming by 13.74%.

Table 1: Performance of the Fund

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(16.62%)</b>	<b>(2.68%)</b>
<b>Benchmark</b>	<b>(9.68%)</b>	<b>11.06%</b>
<b>Outperformance</b>	<b>(6.94%)</b>	<b>(13.74%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/7/21 - 30/6/22)</b>	<b>Since Commencement (6/10/20 - 30/6/22)</b>
<b>Fund</b>	<b>(16.62%)</b>	<b>(1.55%)</b>
<b>Benchmark</b>	<b>(9.68%)</b>	<b>6.23%</b>
<b>Outperformance</b>	<b>(6.94%)</b>	<b>(7.78%)</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022 (1/7/21 - 30/6/22)</b>	<b>FYE 2021 (6/10/20 - 30/6/21)</b>
<b>Fund</b>	<b>(16.62%)</b>	<b>16.72%</b>
<b>Benchmark</b>	<b>(9.68%)</b>	<b>22.96%</b>
<b>Outperformance</b>	<b>(6.94%)</b>	<b>(6.24%)</b>

Source of Benchmark: Bloomberg



Figure 1: Movement of the Fund versus the Benchmark since commencement.



*"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: Dow Jones Sustainability 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**

For a snapshot of the Fund's asset mix during the period under review, please refer to Fund Performance Data.

As at 30 June 2022, the asset allocation of the Fund's exposure to the collective investment scheme stood at 98.69% of the Fund's NAV, while the balance was held in cash.

### **Strategies Employed**

The Fund maintained its strategy of keeping high investment level and invested solely into a collective investment scheme that gains exposure into the Allianz Global Sustainability Fund, while maintaining small exposure towards the cash and cash equivalent to manage fund's liquidity.

### **Market Review**

Uncertainty has been an ongoing theme in economies and markets. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. Market volatility then spiked further after US Federal Reserve (Fed) Chairmen Powell's testimony suggested that asset price deflation would not be a reason to ease off rate normalisation. The 75 basis points (bps) rate hike in June by the Fed was a clear indication that Central Bank priorities have shifted to addressing inflationary pressures. Whilst some factors driving inflation could be temporary as a result of supply chain issues or the Ukraine conflict, there is also a recognition that the period of loose monetary policy to stimulate the economy during the pandemic has created a foundation for higher inflation.

Although global equities started 2022 on a strong note due to policy easing, equity markets saw notable retracement, potentially heading towards a bear market by the second half of the year. With decreasing optimism over the growth outlook, more defensive business models are being valued, as both Healthcare and Consumer Staples outperformed during both June and the second quarter of 2022. However, the global equity markets in general saw a selloff in June with the Morgan Stanley Capital International All Country World Index (MSCI AC World) declining 8.6% in June.

Real gross domestic product (GDP) growth for US in the first quarter was weaker than expected, falling 1.4% on an annualised basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualised basis.

In the Eurozone, equities continue to decline in the second quarter as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 8.6% in June, an increase from 8.1% in May. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and real estate fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, as Covid-19 restrictions relaxed, economic data reflected a positive picture due to economic stimulus from tax and government fee reductions in addition to increasing local government bond issuance with the aim to fund spending. Given the low valuation, Chinese equities was only one of the few markets ending the month of June on a positive return, with the CSI300 up 9.6% in the month and outperforming the Standard & Poor's 500 (S&P 500) by 10 percentage points. The Chinese Yuan also experienced some sharp depreciation during the first quarter of 2022 as the 2-year US Treasury yield rose above its Chinese equivalent. It has however recovered slightly as we head into the second half of the year.

Asia equities registered a negative return in the second quarter. Investors were increasingly downbeat as rising global inflation and supply chain issues could tip the economy into a recession. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to concerns that rising inflation and soaring energy prices will continue to weaken investor sentiment toward the market.

Bond yields continued to rise in June 2022 as central bank hawkishness increased, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. United States consumer price inflation accelerated to 9.1% year on year in June. Corporate bonds garnered negative total returns and underperformed government bonds in general.

Over the first half of the year, we saw energy prices continue to outperform the broader market. However, investors have become increasingly concerned over the impact rising commodity prices will have on consumer spending and economic activity in general. The concerns were warranted as the Materials and Energy sector experienced notable corrections, though Energy remained the best performing sector over the second quarter.

On the domestic front, the FTSE Bursa Malaysia KLCI fell by 8.02% in June, its sharpest monthly decline since the start of the pandemic in March 2020. The decline can be attributed to pessimistic global market sentiment over concerns of inflation and tightening monetary policies potentially coaxing the economy into a recession. In terms of trade, Malaysia continued to see a strong performance through June 2022 with a value of RM270.4 billion, a 43.4% growth from a year ago. Exports expanded 38.8% while imports grew 49.3%.

## **Investment Outlook**

2022 is set to be a year of transition for markets as investors continue to contend with normalisation of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with its peak GDP growth during

the pandemic era also likely realised in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

### **State of Affairs of the Fund**

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the period under review.

### **Soft Commissions received from Brokers**

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

- (i) goods and services provided are of demonstrable benefit to Unitholders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, no soft commission was received by the manager on behalf of the Fund.

### **Cross Trade**

No cross trade transactions have been carried out during the reported period.

### **Securities Financing Transactions**

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

### **Changes Made To the Fund's Information Memorandum**

There were no changes made to the Fund's Information Memorandum during the financial year under review.

## **TRUSTEE’S REPORT**

### **TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND (“Fund”)**

We have acted as Trustee of the Fund for the financial year ended 30 June 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

For TMF Trustees Malaysia Berhad  
(Company No.: (200301008392 [610812-W])

NORHAYATI BINTI AZIT  
DIRECTOR – FUND SERVICES

Kuala Lumpur  
Date: 16 August 2022

**AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

# **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR END 30 JUNE 2022**

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## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	<u>Note</u>	Financial year ended 30.6.2022 USD	Financial period from 14.9.2020 (date of launch) to 30.6.2021 USD
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		-	7,524
Interest income from financial assets at amortised cost		1,342	1,721
Net gain/(loss) on foreign currency exchange		15,539	(32,088)
Net loss on forward foreign currency contracts at fair value through profit or loss	9	(3,948,139)	(804,036)
Net (loss)/gain on financial assets at fair value through profit or loss	8	(15,664,564)	8,779,341
		<u>(19,595,824)</u>	<u>7,952,462</u>
<b>EXPENSES</b>			
Management fee	4	(1,615,067)	(578,998)
Trustee fee	5	(53,894)	(19,369)
Fund accounting fee	6	(3,311)	(1,998)
Auditors' remuneration		(1,656)	(2,171)
Tax agent's fee		(828)	(844)
Other expenses		(8,909)	(5,228)
		<u>(1,683,666)</u>	<u>(608,608)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(21,279,490)	7,343,854
Taxation	7	-	-
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>(21,279,490)</u>	<u>7,343,854</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	<u>Note</u>	Financial year ended <u>30.6.2022</u> USD	Financial period from 14.9.2020 (date of launch) to <u>30.6.2021</u> USD
(Decrease)/increase in net asset attributable to unitholders is made up of the following:			
Realised amount		(2,627,060)	533,706
Unrealised amount		(18,652,430)	6,810,148
		<u>(21,279,490)</u>	<u>7,343,854</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.



## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>ASSETS</b>			
Cash and cash equivalents		3,539,511	3,393,859
Amount due from brokers		-	74,449
Amount due from Manager			
- creation of units		9,393	1,709,813
- management fee rebate receivable		99,094	74,878
Financial assets at fair value through profit or loss	8	77,345,669	65,399,813
Forward foreign currency contracts at fair value through profit or loss	9	11,510	1,925
<b>TOTAL ASSETS</b>		<u>81,005,177</u>	<u>70,654,737</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	9	2,052,327	681,919
Amount due to brokers		-	3,070,000
Amount due to dealer		103,966	-
Amount due to Manager			
- management fee		121,091	94,860
- cancellation of units		344,649	44,377
Amount due to Trustee		4,036	3,162
Auditors' remuneration		1,815	2,171
Tax agent's fee		794	844
Other payables and accruals		302	162
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>2,628,980</u>	<u>3,897,495</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>78,376,197</u>	<u>66,757,242</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>78,376,197</u>	<u>66,757,242</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONTINUED)

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- AUD Hedged-class		8,654,627	7,077,896
- MYR Hedged-class		49,728,285	47,593,009
- SGD Hedged-class		7,243,709	4,444,048
- USD Class		12,749,576	7,642,289
		<u>78,376,197</u>	<u>66,757,242</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- AUD Hedged-class	10 (a)	26,411,000	16,276,000
- MYR Hedged-class	10 (b)	432,566,000	330,429,000
- SGD Hedged-class	10 (c)	20,703,000	10,232,000
- USD Class	10 (d)	25,598,000	12,883,000
		<u>505,278,000</u>	<u>369,820,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- AUD Hedged-class		0.3277	0.4349
- MYR Hedged-class		0.1150	0.1440
- SGD Hedged-class		0.3499	0.4343
- USD Class		0.4981	0.5932
		<u>0.3277</u>	<u>0.4349</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD Hedged-class		AUD0.4758	AUD0.5794
- MYR Hedged-class		RM0.5067	RM0.5975
- SGD Hedged-class		SGD0.4866	SGD0.5836
- USD Class		USD0.4981	USD0.5932
		<u>AUD0.4758</u>	<u>AUD0.5794</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Financial year ended <u>30.6.2022</u> USD	Financial period from 14.9.2020 (date of launch) to <u>30.6.2021</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH</b>	66,757,242	-
Movement due to units created and cancelled during the financial year/period:		
Creation of units arising from applications	55,554,827	76,049,336
- AUD Hedged-class	8,719,169	8,621,624
- MYR Hedged-class	27,412,260	51,741,099
- SGD Hedged-class	7,415,592	6,176,781
- USD Class	12,007,806	9,509,832
Cancellation of units	(22,656,382)	(16,635,948)
- AUD Hedged-class	(4,099,627)	(2,266,138)
- MYR Hedged-class	(11,952,525)	(9,211,861)
- SGD Hedged-class	(2,740,246)	(2,274,863)
- USD Class	(3,863,984)	(2,883,086)
Net (decrease)/increase in net assets attributable to unitholders during the financial year/period	(21,279,490)	7,343,854
- AUD Hedged-class	(3,042,811)	722,410
- MYR Hedged-class	(13,324,459)	5,063,771
- SGD Hedged-class	(1,875,685)	542,130
- USD Class	(3,036,535)	1,015,543
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	<u>78,376,197</u>	<u>66,757,242</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Financial year ended 30.6.2022 USD	Financial period from 14.9.2020 (date of launch) to 30.6.2021 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	10,387,688	9,352,795
Purchase of investments	(42,206,034)	(63,441,000)
Dividends received	-	7,524
Interest received	1,342	1,721
Management fee rebate received	1,292,126	388,406
Management fee paid	(1,588,837)	(484,138)
Trustee fee paid	(53,020)	(16,207)
Fund accounting fee paid	(3,311)	(1,998)
Payments for other fees and expenses	(11,661)	(5,066)
Realised loss on forward foreign currency contracts	(2,587,316)	(124,042)
Net realised gain/(loss) on foreign currency exchange	37,228	(8,281)
	<hr/>	<hr/>
Net cash flows used in operating activities	(34,731,795)	(54,330,286)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	57,255,247	74,339,523
Payments for cancellation of units	(22,356,110)	(16,591,571)
	<hr/>	<hr/>
Net cash flows generated from financing activities	34,899,136	57,747,952
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	167,341	3,417,666
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(21,689)	(23,807)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR/ DATE OF LAUNCH</b>	3,393,859	-
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	3,539,511	3,393,859
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 30 June 2022 and 30 June 2021 comprise of bank balances.

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year/period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

(a) Standards, amendments to published standards and interpretations that are effective:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Fund to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective: (continued)

- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

#### B INCOME RECOGNITION

##### Dividend income

Dividend income for financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

##### Interest income

Interest income from short-term deposit with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### Realised gains and loss on sale of investments

For collective investment scheme ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

#### C TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year/period.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)**

#### **D FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in United States Dollar (“USD”), which is the Fund’s functional and presentation currency.

#### **E FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely payments of principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

Investment in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

The Fund classifies amount due to brokers, amount due to dealer, amount due to Manager, amount due to Trustee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign currency transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the financial year/period which they arise.

Investment in CIS are valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position as at 30 June 2022 and 30 June 2021.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

(iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month and lifetime expected credit losses as any such impairment would be wholly insignificant to the Fund.



## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

##### Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

##### Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

##### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial year/period.

#### G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances which are subject to an insignificant risk of changes in value.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)**

#### **H AMOUNT DUE FROM/(TO) BROKERS/DEALER**

Amounts due from and to brokers/dealer represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers/dealer balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit-impaired.

Significant financial difficulties of the brokers/dealer, probability that the brokers/dealer will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

#### **I CREATION AND CANCELLATION OF UNITS**

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in four classes of units, known respectively as the AUD Hedged-class, MYR Hedged-class, SGD Hedged-class and USD Class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

#### **J DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative position will be "marked to market" at the close of each valuation day.

Foreign exchange gains and losses on the derivative financial instruments are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and a negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities as fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts are determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)**

#### **J DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

#### **K (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Income not distributed is included in net assets attributable to unitholders.

#### **L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework.

##### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) The Fund's sole investment is in a collective investment scheme denominated in USD.
- ii) Significant portion of cash is denominated in USD for the purpose of making settlement of the foreign trades.
- iii) Significant portion of the Fund's expenses are denominated in USD.

#### **M REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

The analysis of realised and unrealised amounts in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

#### **1 INFORMATION ON THE FUND**

The Wholesale Fund was constituted under the name Affin Hwang World Series - Global Sustainability Fund (the “Fund”) pursuant to the execution of a Deed dated 21 May 2020 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 6 October 2020 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

The Fund may invest in any of the following assets, subject to the Deed, the Fund’s objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Collective investment schemes;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund objective.

All investments will be subjected to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deed and the objective of the Fund.

The main objective of the Fund is to achieve capital appreciation over medium to long term period.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 16 August 2022.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		3,539,511	-	3,539,511
Amount due from Manager				
- creation of units		9,393	-	9,393
- management fee rebate receivable		99,094	-	99,094
Collective investment scheme	8	-	77,345,669	77,345,669
Forward foreign currency contracts at fair value through profit or loss	9	-	11,510	11,510
Total		<u>3,647,998</u>	<u>77,357,179</u>	<u>81,005,177</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	9	-	2,052,327	2,052,327
Amount due from dealer		103,966	-	103,966
Amount due to Manager				
- management fee		121,091	-	121,091
- cancellation of units		344,649	-	344,649
Amount due to Trustee		4,036	-	4,036
Auditors' remuneration		1,815	-	1,815
Tax agent's fee		794	-	794
Other payables and accruals		302	-	302
Total		<u>576,653</u>	<u>2,052,327</u>	<u>2,628,980</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		3,393,859	-	3,393,859
Amount due from brokers		74,449	-	74,449
Amount due from Manager				
- creation of units		1,709,813	-	1,709,813
- management fee rebate receivable		74,878	-	74,878
Collective investment scheme	8	-	65,399,813	65,399,813
Forward foreign currency contracts at fair value through profit or loss	9	-	1,925	1,925
Total		<u>5,252,999</u>	<u>65,401,738</u>	<u>70,654,737</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	9	-	681,919	681,919
Amount due from brokers		3,070,000	-	3,070,000
Amount due to Manager				
- management fee		94,860	-	94,860
- cancellation of units		44,377	-	44,377
Amount due to Trustee		3,162	-	3,162
Auditors' remuneration		2,171	-	2,171
Tax agent's fee		844	-	844
Other payables and accruals		162	-	162
Total		<u>3,215,576</u>	<u>681,919</u>	<u>3,897,495</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), liquidity risk, credit risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	<u>2022</u> USD	<u>2021</u> USD
<b>Quoted investment</b>		
Collective investment scheme	77,345,669	65,399,813

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> (loss)/profit after tax/NAV USD
<u>2022</u>		
-4%	74,251,842	(3,093,827)
0%	77,345,669	-
+4%	80,439,496	3,093,827
<u>2021</u>		
-10%	58,859,832	(6,539,981)
0%	65,399,813	-
+10%	71,939,794	6,539,981

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 30 June 2022 and 30 June 2021, the Fund is not exposed to any interest rate risk.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movements against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar	-	134,881	2,721	137,602
Malaysian Ringgit	11,510	77,284	6,672	95,466
Singapore Dollar	-	9,146	-	9,146
	<u>11,510</u>	<u>221,311</u>	<u>9,393</u>	<u>242,214</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Australian Dollar	572,944	151,939	8,654,627	9,379,510
Malaysian Ringgit	1,302,492	83,165	49,728,285	51,113,942
Singapore Dollar	176,891	-	7,243,709	7,420,600
	<u>2,052,327</u>	<u>235,104</u>	<u>65,626,621</u>	<u>67,914,052</u>



## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:  
(continued):

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	-	45,946	408,629	454,575
Malaysian Ringgit	870	911	816,061	817,842
Singapore Dollar	1,055	13,651	177,150	191,856
	<u>1,925</u>	<u>60,508</u>	<u>1,401,840</u>	<u>1,464,273</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Australian Dollar	205,626	44,377	7,077,896	7,327,899
Malaysian Ringgit	435,768	3,177	47,593,009	48,031,954
Singapore Dollar	40,525	-	4,444,048	4,484,573
	<u>681,919</u>	<u>47,554</u>	<u>59,114,953</u>	<u>59,844,426</u>

\* Other liabilities consist of amount due to Manager, auditors' remuneration, tax agent's fee and other payables and accruals.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's (loss)/profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on (loss)/profit after tax/NAV USD
<u>2022</u>		
Australian Dollar	+/- 8.49	-/+ 784,935
Malaysian Ringgit	+/- 3.39	-/+ 1,729,315
Singapore Dollar	+/- 4.07	-/+ 301,881
<u>2021</u>		
Australian Dollar	+/- 8.00	-/+ 550,196
Malaysian Ringgit	+/- 2.98	-/+ 1,404,816
Singapore Dollar	+/- 3.60	-/+ 154,518

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders, liquid assets comprise bank balances and other instruments, which are capable of being converted into cash within 7 days.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk (continued)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> USD	<u>Between one month to one year</u> USD	<u>Total</u> USD
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	869,001	1,183,326	2,052,327
Amount due to dealer	103,966	-	103,966
Amount due to Manager			
- management fee	121,091	-	121,091
- cancellation of units	344,649	-	344,649
Amount due to Trustee	4,036	-	4,036
Auditors' remuneration	-	1,815	1,815
Tax agent's fee	-	794	794
Other payables and accruals	-	302	302
Net assets attributable to unitholders*	78,376,197	-	78,376,197
	<u>79,818,940</u>	<u>1,186,237</u>	<u>81,005,177</u>
<u>2021</u>			
Forward foreign currency contracts at fair value through profit or loss	177,713	504,206	681,919
Amount due to brokers	3,070,000	-	3,070,000
Amount due to Manager			
- management fee	94,860	-	94,860
- cancellation of units	44,377	-	44,377
Amount due to Trustee	3,162	-	3,162
Auditors' remuneration	-	2,171	2,171
Tax agent's fee	-	844	844
Other payables and accruals	-	162	162
Net assets attributable to unitholders*	66,757,242	-	66,757,242
	<u>70,147,354</u>	<u>507,383</u>	<u>70,654,737</u>

\*Units are redeemed on demand at the unitholder's option (Note I). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term return.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The following table sets out the credit risk concentration and counterparties of the Fund:

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Other assets*</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial services				
- AAA	-	3,539,511	-	3,539,511
- AA2	3,152	-	-	3,152
- NR	8,358	-	-	8,358
Others				
- NR	-	-	108,487	108,487
	<u>11,510</u>	<u>3,539,511</u>	<u>108,487</u>	<u>3,659,508</u>
<u>2021</u>				
Financial services				
- AAA	-	3,393,859	74,449	3,468,308
- AA2	482	-	-	482
- AA3	573	-	-	573
- NR	870	-	-	870
Others				
- NR	-	-	1,784,691	1,784,691
	<u>1,925</u>	<u>3,393,859</u>	<u>1,859,140</u>	<u>5,254,924</u>

\* Other assets consist of amount due from brokers and amount due from Manager.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial year/period end date. The Fund utilises the last traded price for financial assets.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques.

##### (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The determination of what constitutes ‘observable’ requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund’s financial assets and financial liabilities (by class) measured at fair value:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	77,345,669	-	-	77,345,669
- forward foreign currency contracts	-	11,510	-	11,510
	<u>77,345,669</u>	<u>11,510</u>	<u>-</u>	<u>77,357,179</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	2,052,327	-	2,052,327
	<u>-</u>	<u>2,052,327</u>	<u>-</u>	<u>2,052,327</u>
<u>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	65,399,813	-	-	65,399,813
- forward foreign currency contracts	-	1,925	-	1,925
	<u>65,399,813</u>	<u>1,925</u>	<u>-</u>	<u>65,401,738</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	681,919	-	681,919
	<u>-</u>	<u>681,919</u>	<u>-</u>	<u>681,919</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Investments whose values are based on published market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the published prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(ii) The carrying values of cash and cash equivalents, amount due from brokers, amount due from Manager and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short-term nature.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)**

#### **4 MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 30 June 2022, the management fee is recognised at a rate of 1.80% (14 September 2020 (date of launch) to 30 June 2021: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis, as stated in the Fund's Information Memorandum.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

#### **5 TRUSTEE FEE**

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, excluding foreign custodian fees and charges.

For the financial year ended 30 June 2022, the Trustee's fee is recognised at a rate of 0.06% (14 September 2020 (date of launch) to 30 June 2021: 0.06%) per annum on the NAV of the Fund, excluding foreign custodian fees and charges, calculated on a daily basis, as stated in the Fund's Information Memorandum.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.

#### **6 FUND ACCOUNTING FEE**

The fund valuation and accounting fee for the Fund is RM14,000 (equivalent to: USD3,311) (14 September 2020 (date of launch) to 30 June 2021: RM8,167 (equivalent of: USD1,998)) for the financial year/period.



## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 7 TAXATION

	Financial year ended 30.6.2022 USD	Financial period from 14.9.2020 (date of launch) to 30.6.2021 USD
Current taxation	-	-

The numerical reconciliation between net (loss)/profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	Financial year ended 30.6.2022 USD	Financial period from 14.9.2020 (date of launch) to 30.6.2021 USD
Net (loss)/profit before taxation	(21,279,490)	7,343,854
Tax at Malaysian statutory rate of 24%	(5,107,077)	1,762,525
Tax effects of:		
Investment loss not brought to tax/(Investment income not subject to tax)	4,702,997	(1,908,591)
Expenses not deductible for tax purposes	15,643	6,090
Restriction on tax deductible expenses for Wholesale Funds	388,437	139,976
Tax expense	-	-

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	77,345,669	65,399,813
	<u>Financial</u> year ended <u>30.6.2022</u> USD	<u>Financial</u> period from 14.9.2020 (date of launch) to <u>30.6.2021</u> USD
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	289,012	802,109
- unrealised (loss)/gain on changes in fair value	(17,269,918)	7,513,948
- management fee rebate on collective investment scheme #	1,316,342	463,284
	<u>(15,664,564)</u>	<u>8,779,341</u>

# In arriving at the fair value of the Fund's investment in collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in collective investment scheme have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Collective investment scheme

(i) Collective investment scheme as at 30 June 2022 is as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
Allianz Global Sustainability - Class A Dis USD	2,044,559	87,101,639	77,345,669	98.69
	<u>2,044,559</u>	<u>87,101,639</u>	<u>77,345,669</u>	<u>98.69</u>
Total collective investment scheme	<u>2,044,559</u>	<u>87,101,639</u>	<u>77,345,669</u>	<u>98.69</u>
Accumulated unrealised loss on collective investment scheme		<u>(9,755,970)</u>		
Total collective investment scheme		<u>77,345,669</u>		

(i) Collective investment scheme as at 30 June 2021 is as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
Allianz Global Sustainability - Class A Dis USD	1,453,652	57,885,865	65,399,813	97.97
	<u>1,453,652</u>	<u>57,885,865</u>	<u>65,399,813</u>	<u>97.97</u>
Total collective investment scheme	<u>1,453,652</u>	<u>57,885,865</u>	<u>65,399,813</u>	<u>97.97</u>
Accumulated unrealised gain on collective investment scheme		<u>7,513,948</u>		
Total collective investment scheme		<u>65,399,813</u>		

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 30 June 2022 is as follows:

	<u>Percentage of target fund NAV</u> %
Microsoft Corp	9.30
Unitedhealth Group Inc	5.80
Astrazeneca Plc	4.10
Adobe Inc	3.30
Avantor Inc	3.20
S&P Global Inc	3.00
Visa Inc Class A Shares	3.00
Roche Holding AG-Genusschein	2.80
Shell Plc	2.80
Intuit Inc	2.50
Total	<u>39.80</u>

(ii) The Target Fund's top 10 holdings as at 30 June 2021 is as follows:

	<u>Percentage of target fund NAV</u> %
Microsoft Corp	9.70
Adobe Inc	5.00
S&P Global Inc	3.50
Unitedhealth Group Inc	3.30
Roche Holding AG-Genusschein	3.10
ASML Holding Nv	2.90
Visa Inc Class A Shares	2.70
Keyence Corp	2.60
SAP Se	2.60
Capgemini Se	2.50
Total	<u>37.90</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 9 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 39 (2021: 75) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD69,316,644 (2021:USD 58,739,582). The forward foreign currency contracts entered into during the financial year/period were for hedging against the currency exposure arising from different hedged-classes that are denominated in Australian Dollar, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	11,510	1,925
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	2,052,327	681,919
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(2,587,316)	(124,043)
- unrealised loss on changes in fair value	(1,360,823)	(679,993)
	<u>(3,948,139)</u>	<u>(804,036)</u>

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 30 June 2022 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage</u> <u>of NAV</u> %
Affin Hwang Investment Bank Bhd#	12,318,907	12,651,865	(332,958)	(0.42)
BNP Paribas Malaysia Bhd	7,509,150	7,551,641	(42,491)	(0.05)
CIMB Bank Bhd	19,646,797	20,316,079	(669,282)	(0.85)
Citibank Berhad	11,632,380	12,149,408	(517,028)	(0.66)
J.P. Morgan Chase Bank Bhd	12,548,439	12,996,646	(448,207)	(0.57)
Maybank Berhad	3,620,155	3,651,004	(30,849)	(0.04)
Total forward foreign currency contracts	<u>67,275,827</u>	<u>69,316,644</u>	<u>(2,040,817)</u>	<u>(2.59)</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 9 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts (continued)

(ii) Forward foreign currency contracts as at 30 June 2021 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	1,641,819	1,677,807	(35,988)	(0.05)
BNP Paribas Malaysia Bhd	53,047,922	53,607,904	(559,982)	(0.84)
CIMB Bank Bhd	877,472	917,095	(39,623)	(0.06)
J.P. Morgan Chase Bank Bhd	2,492,375	2,536,776	(44,401)	(0.07)
	<u>58,059,588</u>	<u>58,739,582</u>	<u>(679,994)</u>	<u>(1.02)</u>
Total forward foreign currency contracts				

# The Manager is of the opinion that all transactions with the holding company of the Manager have been entered into in the normal course of business at agreed terms between the related parties.

#### 10 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year end/date of launch	16,276,000	-
Creation of units arising from applications	19,805,000	21,541,000
Cancellation of units	(9,670,000)	(5,265,000)
At the end of the financial year/period	<u>26,411,000</u>	<u>16,276,000</u>

(b) MYR Hedged-class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year end/date of launch	330,429,000	-
Creation of units arising from applications	184,436,000	396,844,000
Cancellation of units	(82,299,000)	(66,415,000)
At the end of the financial year/period	<u>432,566,000</u>	<u>330,429,000</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(c) SGD Hedged-class units in circulation		
	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year end/date of launch	10,232,000	-
Creation of units arising from applications	16,617,000	15,687,000
Cancellation of units	<u>(6,146,000)</u>	<u>(5,455,000)</u>
At the end of the financial year/period	<u>20,703,000</u>	<u>10,232,000</u>
(d) USD Class units in circulation		
	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year end/date of launch	12,883,000	-
Creation of units arising from applications	19,323,000	17,954,000
Cancellation of units	<u>(6,608,000)</u>	<u>(5,071,000)</u>
At the end of the financial year/period	<u>25,598,000</u>	<u>12,883,000</u>

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top brokers for the financial year ended on 30 June 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
Allianz Global Investors Singapore Ltd	48,503,237	97.88
Brown Brothers Harriman (Hong Kong) Ltd	1,050,000	2.12
	<u>49,553,237</u>	<u>100.00</u>

- (ii) Details of transactions with the top broker for the financial period from 14 September 2020 (date of launch) to 30 June 2021 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
Allianz Global Investors Singapore Ltd	<u>75,938,244</u>	<u>100.00</u>



## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

The units held by the Manager as at the end of the financial year/period are as follows:

	<u>2022</u>		<u>2021</u>	
<u>The Manager:</u>	No. of units	USD	No. of units	USD
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- AUD Hedged-class	10,194	3,340	9,676	4,208
- MYR Hedged-class	3,108	357	3,800	547
- SGD Hedged-class	10,921	3,821	8,288	3,599
- USD Class	10,739	5,349	12,369	7,337
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Other than the above, there were no units held by the Directors or parties related to the Manager.

## AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 13 TOTAL EXPENSE RATIO (“TER”)

	Financial Year ended <u>30.6.2022</u> %	Financial period from 14.9.2020 (date of launch) to <u>30.6.2021</u> %
TER	<u>1.88</u>	<u>1.50</u>

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E + F) \times 100}{G}$$

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors' remuneration
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year/period calculated on a daily basis is USD89,822,892 (2021: USD40,691,888).

#### 14 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial Year ended <u>30.6.2022</u> %	Financial period from 14.9.2020 (date of launch) to <u>30.6.2021</u> %
PTR (times)	<u>0.27</u>	<u>0.92</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year/period} + \text{total disposal for the financial year/period}) \div 2}{\text{Average NAV of the Fund for the financial year/period calculated on a daily basis}}$$

where: total acquisition for the financial year/period = USD39,240,000 (2021: USD66,511,000)  
total disposal for the financial year/period = USD10,024,226 (2021: USD8,625,135)

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)**

#### **15 SUBSEQUENT EVENT**

##### **Change in corporate shareholding of Affin Hwang Asset Management Berhad**

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in Affin Hwang Asset Management Berhad.

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, Affin Hwang Asset Management Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

## **AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 37 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 June 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**AFFIN HWANG ASSET MANAGEMENT BERHAD**

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
16 August 2022

# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Affin Hwang World Series – Global Sustainability Fund (“the fund”) give a true and fair view of the financial position of the fund as at 30 June 2022, and of its financial performance and its cash flows for financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 37.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND  
(CONTINUED)**

**OTHER MATTERS**

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants**

**Kuala Lumpur  
16 August 2022**



## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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