



**ANNUAL REPORT**  
30 June 2023

Affin Hwang World  
Series – **Global Brands**  
**Fund**

MANAGER  
AHAM Asset Management Berhad  
*(Formerly known as Affin Hwang Asset  
Management Berhad)*  
199701014290 (429786-T)

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

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# AFFIN HWANG WORLD SERIES – GLOBAL BRANDS FUND

## Annual Report and Audited Financial Statements For The Financial Year Ended 30 June 2023

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Contents	Page
FUND INFORMATION .....	II
FUND PERFORMANCE DATA .....	III
MANAGER'S REPORT .....	IV
TRUSTEE'S REPORT .....	XI
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

## FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Brands Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Benchmark	MSCI 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 2023 (%)				As at 30 Jun 2022 (%)				As at 30 Jun 2021 (%)			
Portfolio composition												
<b>Collective investment scheme</b>	98.48				98.19				98.02			
<b>Cash and cash equivalent</b>	1.52				1.81				1.98			
<b>Total</b>	<b>100.00</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	USD Class	MYR Hedged- class	SGD Hedged- class	AUD Hedged- class
Total NAV (million)	5.381	125.670	3.363	4.379	6.331	138.028	3.691	5.143	4.910	73.425	2.100	3.900
NAV per Unit (in respective currencies)	0.6384	0.6514	0.6231	0.6222	0.5667	0.5918	0.5611	0.5662	0.6386	0.6594	0.6342	0.6460
Unit in Circulation (million)	8.429	192.920	5.397	7.038	11.171	233.254	6.578	9.083	7.688	111.357	3.311	6.038
Highest NAV	0.6396	0.6531	0.6247	0.6233	0.7030	0.7300	0.6976	0.7093	0.6405	0.6613	0.6361	0.6480
Lowest NAV	0.512	0.5342	0.5055	0.5096	0.5522	0.5768	0.5471	0.5519	0.4739	0.4961	0.4879	0.4935
Return of the Fund (%)	12.65	10.07	11.05	9.89	-11.26	-10.25	-11.53	-12.35	27.72	31.88	26.84	29.20
- Capital Growth (%)	12.65	10.07	11.05	9.89	-11.26	-10.25	-11.53	-12.35	27.72	31.88	26.84	29.20
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) <sup>1</sup>		1.93				1.94				2.63		
Portfolio Turnover Ratio (times) <sup>2</sup>		0.20				0.44				1.69		

### **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 decreased slightly due to an increase in average NAV of the Fund during the financial year under review.

<sup>2</sup> The PTR of the Fund decreased due to a decrease in trading activities of the Fund over the financial year under review.

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 30 June 2023.

### Fund Performance

#### Performance Review (1 July 2022 to 30 June 2023)

#### USD Class

For the period 1 July 2022 to 30 June 2023, the Fund registered a 12.65% return compared to the benchmark return of 16.52%. The Fund thus underperformed the Benchmark by 3.87%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was USD0.6384 while the NAV per unit on 30 June 2022 was USD0.5667.

Since commencement, the Fund has registered a return of 27.68% compared to the benchmark return of 50.54%, underperforming by 22.86%.

Table 1: Performance of the Fund

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	12.65%	22.46%	27.68%
Benchmark	16.52%	34.74%	50.54%
Outperformance	(3.87%)	(12.28%)	(22.86%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	12.65%	6.99%	7.87%
Benchmark	16.52%	10.45%	13.53%
Outperformance	(3.87%)	(3.46%)	(5.66%)

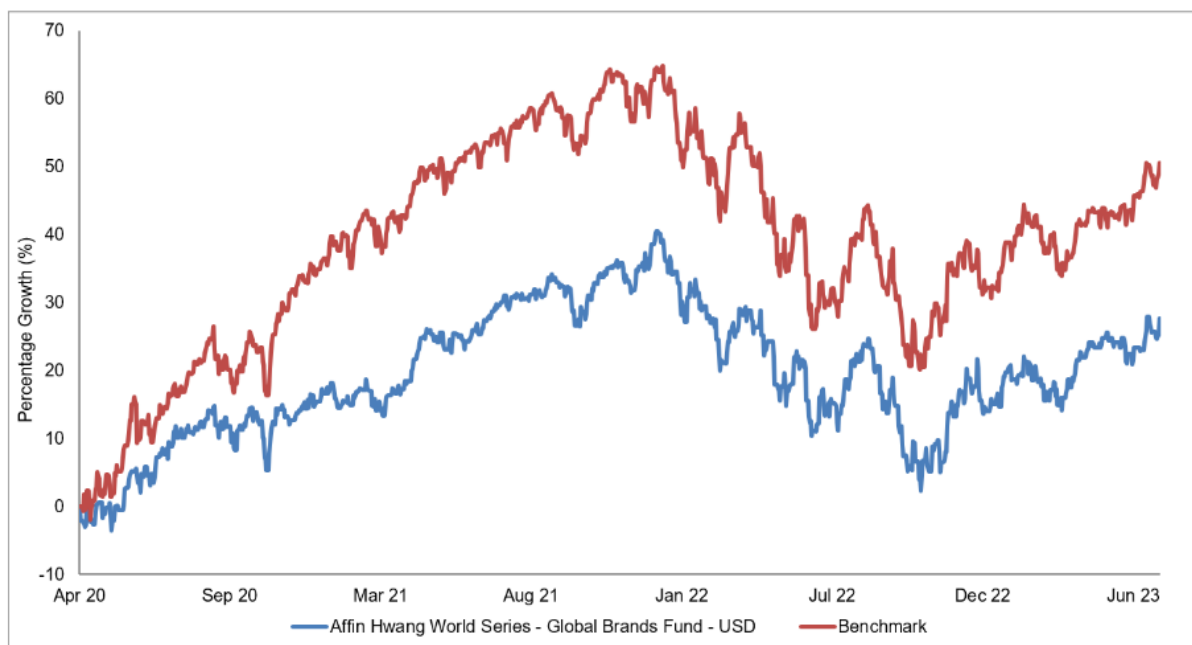
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/7/22 - 30/6/23)	FYE 2022 (1/7/21 - 30/6/22)	FYE 2021 (10/4/20 - 30/6/21)
Fund	12.65%	(11.26%)	27.72%
Benchmark	16.52%	(15.61%)	53.11%
Outperformance	(3.87%)	4.35%	(25.39%)

Source of Benchmark: Bloomberg

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



### **AUD Hedged-Class**

For the period 1 July 2022 to 30 June 2023, the Fund registered a 9.89% return compared to the benchmark return of 20.76%. The Fund thus underperformed the Benchmark by 10.87%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was AUD0.6222 while the NAV per unit on 30 June 2022 was AUD0.5662.

Since commencement, the Fund has registered a return of 24.44% compared to the benchmark return of 42.42%, underperforming by 17.98%.

Table 1: Performance of the Fund

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	9.89%	16.32%	24.44%
Benchmark	20.76%	39.21%	42.42%
Outperformance	(10.87%)	(22.89%)	(17.98%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	9.89%	5.17%	7.02%
Benchmark	20.76%	11.66%	11.59%
Outperformance	(10.87%)	(6.49%)	(4.57%)

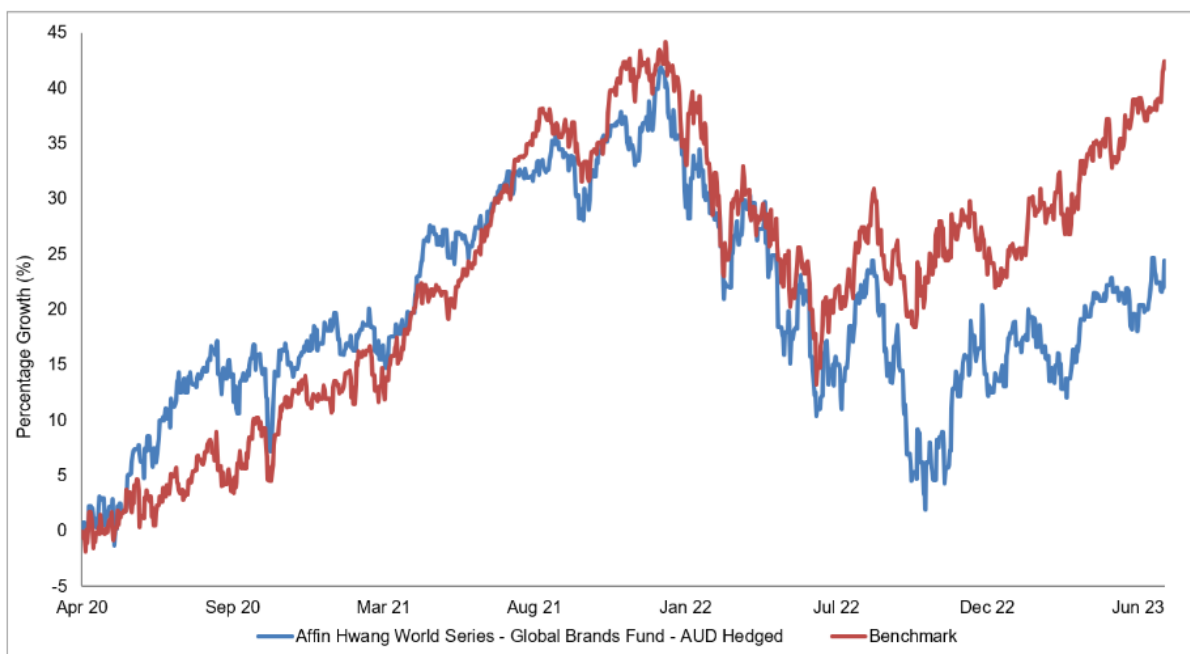
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/7/22 - 30/6/23)	FYE 2022 (1/7/21 - 30/6/22)	FYE 2021 (10/4/20 - 30/6/21)
Fund	9.89%	(12.35%)	29.20%
Benchmark	20.76%	(8.47%)	28.84%
Outperformance	(10.87%)	(3.88%)	0.36%

Source of Benchmark: Bloomberg

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



### **MYR Hedged-Class**

For the period 1 July 2022 to 30 June 2023, the Fund registered a 10.07% return compared to the benchmark return of 23.40%. The Fund thus underperformed the Benchmark by 13.33%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was MYR0.6514 while the NAV per unit on 30 June 2022 was MYR0.5918.

Since commencement, the Fund has registered a return of 30.28% compared to the benchmark return of 62.09%, underperforming by 31.81%.

Table 1: Performance of the Fund

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	10.07%	21.62%	30.28%
Benchmark	23.40%	46.71%	62.09%
Outperformance	(13.33%)	(25.09%)	(31.81%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	10.07%	6.74%	8.55%
Benchmark	23.40%	13.63%	16.16%
Outperformance	(13.33%)	(6.89%)	(7.61%)

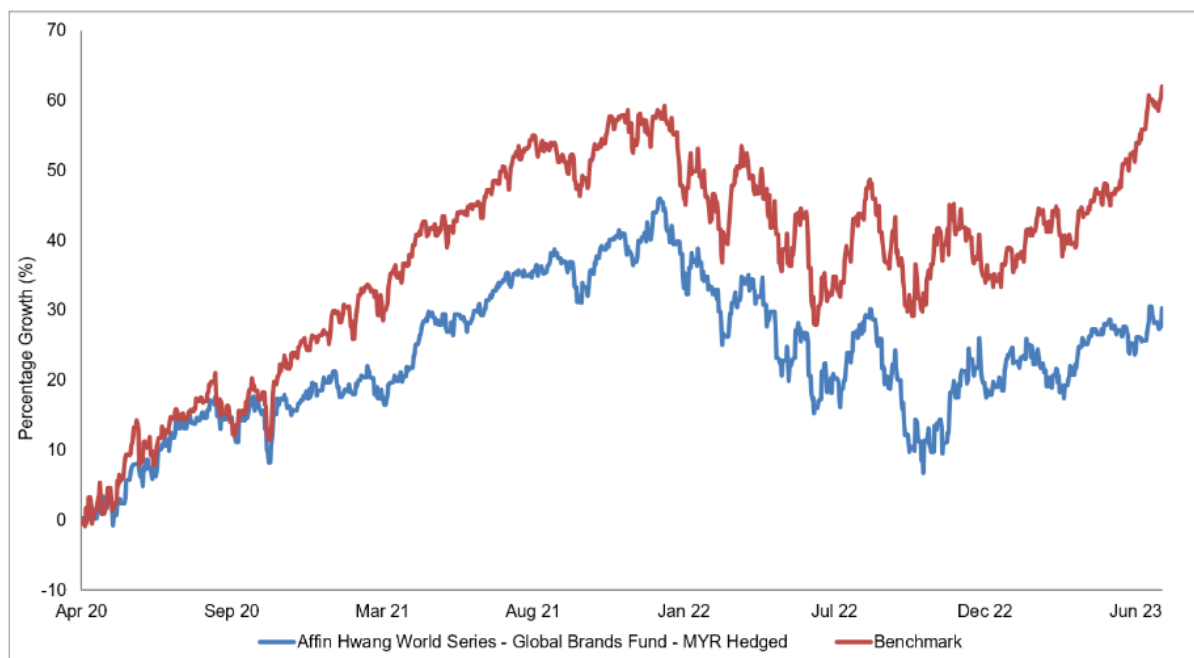
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/7/22 - 30/6/23)	FYE 2022 (1/7/21 - 30/6/22)	FYE 2021 (10/4/20 - 30/6/21)
Fund	10.07%	(10.25%)	31.88%
Benchmark	23.40%	(10.42%)	46.64%
Outperformance	(13.33%)	0.17%	(14.76%)

Source of Benchmark: Bloomberg

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



### **SGD Hedged-Class**

For the period 1 July 2022 to 30 June 2023, the Fund registered a 11.05% return compared to the benchmark return of 13.39%. The Fund thus underperformed the Benchmark by 2.34%. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was SGD0.6231 while the NAV per unit on 30 June 2022 was SGD0.5611.

Since commencement, the Fund has registered a return of 24.62% compared to the benchmark return of 43.63%, underperforming by 19.01%.

Table 1: Performance of the Fund

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	11.05%	19.19%	24.62%
Benchmark	13.39%	30.66%	43.63%
Outperformance	(2.34%)	(11.47%)	(19.01%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/22 - 30/6/23)	3 Years (1/7/20 - 30/6/23)	Since Commencement (10/4/20 - 30/6/23)
Fund	11.05%	6.02%	7.06%
Benchmark	13.39%	9.32%	11.88%
Outperformance	(2.34%)	(3.30%)	(4.82%)

Source of Benchmark: Bloomberg

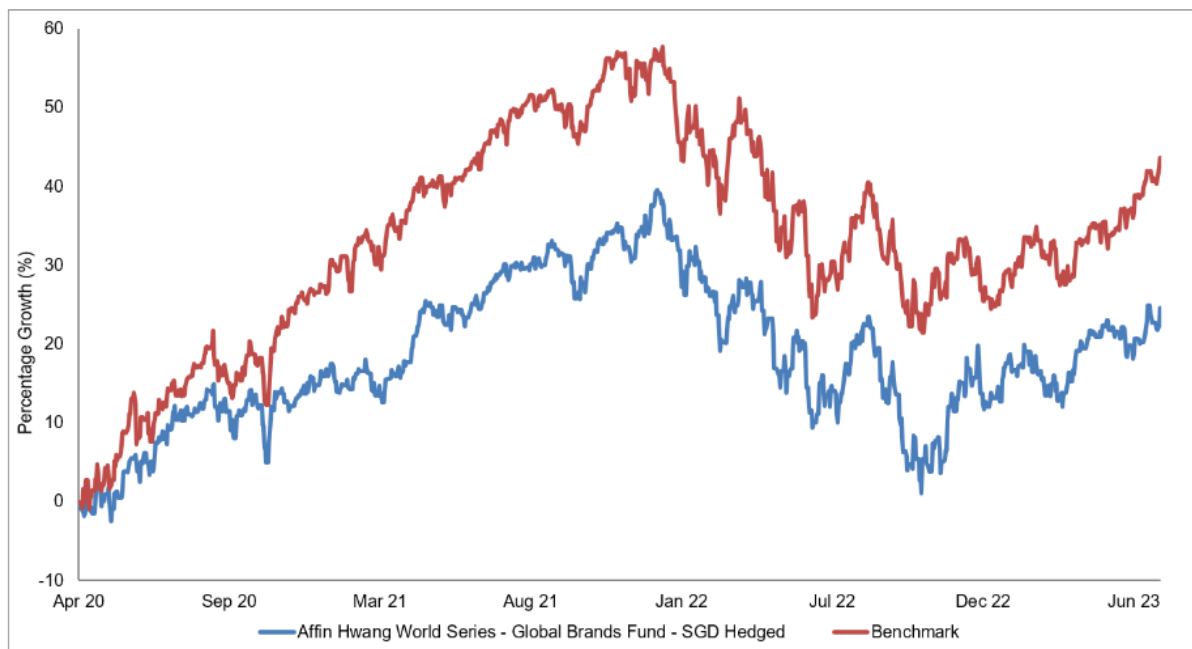
Table 3: Annual Total Return

	FYE 2023 (1/7/22 - 30/6/23)	FYE 2022 (1/7/21 - 30/6/22)	FYE 2021 (10/4/20 - 30/6/21)
Fund	11.05%	(11.53%)	26.84%
Benchmark	13.39%	(12.88%)	45.40%
Outperformance	(2.34%)	1.35%	(18.56%)

Source of Benchmark: Bloomberg



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



*"This information is prepared by AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."*  
 Benchmark: MSCI 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 2023, the asset allocation of the Fund's exposure to the collective investment scheme stood at 98.48% 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, while maintaining small exposure towards the cash and cash equivalent to manage fund's liquidity.

### **Market Review**

Market volatility continued over the past year as macro events and policy rate increases across the global economy affected stock and bond markets. Over the year under review, the Standard & Poor's 500 ("S&P500") returned 17.57% while the Morgan Stanley Capital International ("MSCI") AC World index returned 16.52%. Specific to the Asian region, MSCI AC Asia ex Japan Index was down 3.45% alongside the Financial Times Stock Exchange ("FTSE") Bursa Malaysia which returned -4.67%. Bond markets were similarly impacted with the Bloomberg Barclays Global Aggregate Index down -1.32%, while local bond markets saw edge higher with the benchmark 10-year Malaysian Government Securities ("MGS") yield closing at 3.85%.

The financial year under review started off turbulent, driven by a confluence of unprecedented events that unfolded globally. The Russia-Ukraine conflict casted a shadow of geopolitical instability, heightening risk sentiments and increasing volatility and although Covid cases have started to trend downward since a year

ago, the market continues to grapple with the ongoing effects of the pandemic and geopolitical instability. Temporary closure of factories and logistical facilities created disruptions in the flow of goods and services resulted in supply chain bottlenecks and delayed deliveries. Now that supply have started to normalise, and goods and services are readily available, consumer spending is returning to pre-pandemic levels. In order to regulate consumer spending driven by stimulus over the lock-down period to rein in inflation, central banks globally embarked on a series of policy rates increases.

The US Federal Reserve (“Fed”) raised their policy rates in each monetary policy committee meetings since March last year, to of 5.25% in May 2023 and pausing for the first time in 15 months in June. The sharp pace of policy tightening raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks. However, despite the Fed’s effort in policy tightening, economic indicators continue to remain positive. In addition to fractures in the banking sector, other notable events over the year included the concern over the US approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth.

US equities was volatile throughout the year but ended the month of June in positive territory following a bull market as fervour from enthusiasm over new developments in artificial intelligence (“AI”) and hopes of a Fed paused fuelled market gains. There was, however, a stark difference between recent performance of the sectors. Technology stocks were boosted by enthusiasm over new developments in generative AI as mentioned before while energy and utilities stocks were among the weaker performers. The recent US consumer price index (“CPI”) came below expectations, with an increase of just 0.1% month on month. Core inflation remained sticky rising 0.4% in June 2023 and 5.3% from a year ago. Following the CPI print, the Fed held interest rates unchanged at its Federal Open Market Committee (“FOMC”) meeting as mentioned previously. In his press conference, Fed Chair Jerome Powell suggests that there could potentially be 2 more rate hikes this year.

In Asia, the broader MSCI Asia ex-Japan index fell over the year. Despite starting off 2023 strong, Chinese equity trended downwards following the country’s reopening after the pandemic started to cool. Factory output in China declined from the lacklustre consumer spending and weak demand for exports following trade tensions and interest rate rises in US and Europe. The effect of China’s cooling economy also weakened sentiment towards Hong Kong stocks. India on the other hand showed gains driven by steady earnings and foreign inflows. The development in AI also helped boost Taiwan and South Korea’s technology stocks.

## **Investment Outlook**

Global equity markets flourished in the first half of 2023, with the MSCI World Index returning +15% in US dollars, and now up over a quarter from the third quarter 2022 trough. In a mirror image of the derating in 2022, the risk has been down to a rerating on fairly flat earnings, with the MSCI World’s forward multiple expanding from 13.7x to 17.0x. The sector picture has also been a reversal of 2022, as the market has been led by the growthier sectors that suffered last year: consumer discretionary, communication services and, in particular, information technology, with the outpouring of euphoria around the promise of generative artificial intelligence (AI) offering a new lease on life for tech mega-caps after a tough 2022. June saw a more general cyclical recovery, but up until the end of May, the “magnificent seven” or “MANAMAT”, around a quarter of the S&P 500 Index by weight, had effectively delivered all the US index returns, with the other 493 constituents being slightly down overall.

At the end of 2021, the Target Fund Manager was worried about both multiples and earnings. Following the derating in 2022, their multiple anxieties faded, just leaving worry about earnings. The last three quarters have put both concerns back on the table, with the MSCI World Index’s forward earnings multiple back up to 17.0x, a level never reached between 2003 and 2019, while the multiple of the information technology sector at 27.4x is now worryingly close to its COVID-era highs. This elevated multiple is not on depressed earnings, with expected margins still close to all-time peaks, and consensus earnings expected to be flat this year before rising 10% in 2024, despite all the worries about a potential recession. It is true that the U.S. economy has proved more robust than expected, but the downside of that is that labour markets remain very tight, meaning that a continued monetary squeeze is required to get inflation down. The Target Fund Manager’s view is that any resultant downturn is not in today’s earnings expectations... nor in the current multiple. They maintain that the world is an asymmetric place, with earnings downsides in bad times far higher than the upsides in good

times. The Target Fund Manager's bet, as ever, is that pricing power and recurring revenue, two of the key criteria for inclusion in their portfolios, will once again show its worth in any downturn, and the market will once again come to favour companies which have resilient earnings in tough times.

### **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 unit holders during the period under review.

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

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 Unit holders 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 year.

### **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 UNIT HOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL BRANDS FUND (“Fund”)**

We have acted as the Trustee of the Fund for the financial year ended 30 June 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as 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 Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

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

**NORHAYATI BINTI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
22 August 2023

**AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

# **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

<b>CONTENTS</b>	<b>PAGE (S)</b>
STATEMENT OF COMPREHENSIVE INCOME	1 - 2
STATEMENT OF FINANCIAL POSITION	3 - 4
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	5
STATEMENT OF CASH FLOWS	6
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	7 - 13
NOTES TO THE FINANCIAL STATEMENTS	14 - 35
STATEMENT BY THE MANAGER	36
INDEPENDENT AUDITORS' REPORT	37 - 40

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from financial assets at amortised cost		2,498	1,074
Net loss on foreign currency exchanges		(6,851)	(37,423)
Net loss on forward foreign currency contracts at fair value through profit or loss	9	(2,300,153)	(2,004,796)
Net gain/(loss) on financial assets at fair value through profit or loss	8	5,610,034	(5,240,865)
		<u>3,305,528</u>	<u>(7,282,010)</u>
<b>EXPENSES</b>			
Management fee	4	(773,961)	(764,507)
Trustee fee	5	(25,122)	(24,825)
Fund accounting fee	6	(3,117)	(3,311)
Auditors' remuneration		(1,786)	(1,892)
Tax agent's fee		(781)	(828)
Other expenses		(3,759)	(6,564)
		<u>(808,526)</u>	<u>(801,927)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		2,497,002	(8,083,937)
Taxation	7	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>2,497,002</u>	<u>(8,083,937)</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Increase/(decrease) in net assets attributable to unitholders comprise the following:			
Realised amount		(3,137,213)	(1,051,577)
Unrealised amount		5,634,215	(7,032,360)
		<u>2,497,002</u>	<u>(8,083,937)</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 BRANDS FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>ASSETS</b>			
Cash and cash equivalents		1,376,294	1,784,403
Amount due from Manager			
- creation of units		172,742	1,200
- management fee rebate receivable		22,959	27,150
Financial assets at fair value through profit or loss	8	37,136,236	43,048,327
Forward foreign currency contracts at fair value through profit or loss	9	11,967	-
<b>TOTAL ASSETS</b>		<u>38,720,198</u>	<u>44,861,080</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	9	855,688	918,807
Amount due to Manager			
- management fee		57,477	68,547
- cancellation of units		94,300	25,277
Amount due to Trustee		1,864	2,223
Auditors' remuneration		1,715	1,815
Tax agent's fee		751	794
Other payables and accruals		386	386
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>1,012,181</u>	<u>1,017,849</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>37,708,017</u>	<u>43,843,231</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>37,708,017</u>	<u>43,843,231</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- AUD Hedged-class		2,900,428	3,541,801
- MYR Hedged-class		26,947,620	31,316,694
- SGD Hedged-class		2,479,057	2,653,864
- USD Class		5,380,912	6,330,872
		<u>37,708,017</u>	<u>43,843,231</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- AUD Hedged-class	10(a)	7,038,000	9,083,000
- MYR Hedged-class	10(b)	192,920,000	233,254,000
- SGD Hedged-class	10(c)	5,397,000	6,578,000
- USD Class	10(d)	8,429,000	11,171,000
		<u>213,784,000</u>	<u>260,086,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- AUD Hedged-class		0.4121	0.3899
- MYR Hedged-class		0.1397	0.1343
- SGD Hedged-class		0.4593	0.4034
- USD Class		0.6384	0.5667
		<u>0.6384</u>	<u>0.5667</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD Hedged-class		AUD0.6222	AUD0.5662
- MYR Hedged-class		RM0.6514	RM0.5918
- SGD Hedged-class		SGD0.6231	SGD0.5611
- USD Class		USD0.6384	USD0.5667
		<u>USD0.6384</u>	<u>USD0.5667</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 BRANDS FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	<u>2023</u> USD	<u>2022</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	43,843,231	27,101,140
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	3,567,153	40,893,331
- AUD Hedged-class	6,453	2,219,093
- MYR Hedged-class	3,520,768	30,953,955
- SGD Hedged-class	18,481	1,868,509
- USD Class	21,451	5,851,774
Cancellation of units	(12,199,369)	(16,067,303)
- AUD Hedged-class	(838,367)	(748,571)
- MYR Hedged-class	(9,138,366)	(11,542,906)
- SGD Hedged-class	(532,871)	(308,660)
- USD Class	(1,689,765)	(3,467,166)
Increase/(decrease) in net assets attributable to unitholders during the financial year	2,497,002	(8,083,937)
- AUD Hedged-class	190,541	(856,007)
- MYR Hedged-class	1,248,524	(5,795,770)
- SGD Hedged-class	339,583	(468,664)
- USD Class	718,354	(963,496)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>37,708,017</u>	<u>43,843,231</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 BRANDS FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	<u>2023</u> USD	<u>2022</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	13,913,737	7,855,206
Purchase of investments	(2,700,000)	(29,650,000)
Interest received	2,498	1,074
Management fee rebate received	312,579	290,158
Management fee paid	(785,031)	(735,798)
Trustee fee paid	(25,481)	(23,894)
Fund accounting fee paid	(3,117)	(3,311)
Payment for other fees and expenses	(6,469)	(9,261)
Net realised loss on forward foreign currency contracts	(2,375,239)	(1,186,729)
Net realised gain/(loss) on foreign exchange	9,112	(21,513)
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	8,342,589	(23,484,068)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	3,395,611	41,175,334
Payments for cancellation of units	(12,130,346)	(16,580,834)
	<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities	(8,734,735)	24,594,500
	<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(392,146)	1,110,432
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(15,963)	(15,910)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<hr/>	<hr/>
	1,784,403	689,881
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<hr/> <hr/>	<hr/> <hr/>
	1,376,294	1,784,403

Cash and cash equivalents as at 30 June 2023 and 30 June 2022 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 BRANDS FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

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. 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 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.

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 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 ‘Financial Instruments: Presentation’ does not impact the current or non-current classification of the convertible instrument.

## **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

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

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

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

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

#### **B INCOME RECOGNITION**

##### Interest income

Interest income from short-term deposits with licensed financial institutions are 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 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.

#### **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.

## **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

#### **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 the 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.

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

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, payables for 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.

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

##### (ii) Recognition and measurement (continued)

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 and loss' in the financial year 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.

Financial assets at amortised cost and other financial liabilities, except forward foreign currency contracts 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 expected credit losses as any such impairment would be wholly insignificant to the Fund.

##### 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.



## **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

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

##### (iii) Impairment (continued)

Qualitative criteria:

The debtor meets unlikelihood 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; and
- 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.

#### **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.

#### **H AMOUNT DUE FROM/(TO) BROKER**

Amount due from and to broker 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 broker 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 broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

## **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

#### **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 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 positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument 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 measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss, respectively.

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

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

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

## **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

#### **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 judgment 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 the Fund's cash is denominated in USD for the purpose of making settlement of foreign trades and expenses.
- (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 amount 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 BRANDS FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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

The Wholesale Fund was constituted under the name Affin Hwang World Series – Global Brands Fund (the “Fund”) pursuant to the execution of a Deed dated 10 February 2020 (the “Deed”) entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 03 April 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 Deeds, 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 permitted by the SC from time to time which is in line with the objective of the Fund.

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 a 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. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 22 August 2023.

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (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>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,376,294	-	1,376,294
Amount due from Manager				
- creation of units		172,742	-	172,742
- management fee rebate receivable		22,959	-	22,959
Collective investment scheme	8	-	37,136,236	37,136,236
Forward foreign currency contracts	9	-	11,967	11,967
Total		<u>1,571,995</u>	<u>37,148,203</u>	<u>38,720,198</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	9	-	855,688	855,688
Amount due to Manager				
- management fee		57,477	-	57,477
- cancellation of units		94,300	-	94,300
Amount due to Trustee		1,864	-	1,864
Auditors' remuneration		1,715	-	1,715
Tax agent's fee		751	-	751
Other payables and accruals		386	-	386
Total		<u>156,493</u>	<u>855,688</u>	<u>1,012,181</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,784,403	-	1,784,403
Amount due from Manager				
- creation of units		1,200	-	1,200
- management fee rebate receivable		27,150	-	27,150
Collective investment scheme	8	-	43,048,327	43,048,327
Total		<u>1,812,753</u>	<u>43,048,327</u>	<u>44,861,080</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Forward foreign currency contracts	9	-	918,807	918,807
Amount due to Manager				
- management fee		68,547	-	68,547
- cancellation of units		25,277	-	25,277
Amount due to Trustee		2,223	-	2,223
Auditors' remuneration		1,815	-	1,815
Tax agent's fee		794	-	794
Other payables and accruals		386	-	386
Total		<u>99,042</u>	<u>918,807</u>	<u>1,017,849</u>

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

#### 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>2023</u> USD	<u>2022</u> USD
<b>Quoted investment</b>		
Collective investment scheme	<u>37,136,236</u>	<u>43,048,327</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 15% (2022: 4%) and decreased by 15% (2022: 4%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	Impact on profit/ (loss) after <u>tax/NAV</u> USD
<u>2023</u>		
-15%	31,565,801	(5,570,435)
0%	37,136,236	-
+15%	42,706,671	5,570,435
	<u><u>                    </u></u>	<u><u>                    </u></u>
<u>2022</u>		
-4%	41,326,394	(1,721,933)
0%	43,048,327	-
+4%	44,770,260	1,721,933
	<u><u>                    </u></u>	<u><u>                    </u></u>

##### (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 2023 and 30 June 2022, the Fund is not exposed to any interest rate risk.

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (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 movement 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 a 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>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Forward foreign foreign contracts</u> USD	<u>Total</u> USD
<u>2023</u>				
<u>Financial assets</u>				
Australian Dollar	1,877	-	-	1,877
Malaysian Ringgit	4,264	172,742	11,967	188,973
Singapore Dollar	1,568	-	-	1,568
	<u>7,709</u>	<u>172,742</u>	<u>11,967</u>	<u>192,418</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	74,053	-	2,900,428	2,974,481
Malaysian Ringgit	738,162	97,061	26,947,620	27,782,843
Singapore Dollar	43,473	-	2,479,057	2,522,530
	<u>855,688</u>	<u>97,061</u>	<u>32,327,105</u>	<u>33,279,854</u>



## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

##### Market risk (continued)

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

	<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	21,806	-	21,806	
Malaysian Ringgit	3,345	1,200	4,545	
Singapore Dollar	9,927	-	9,927	
	<u>35,078</u>	<u>1,200</u>	<u>36,278</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	107,685	-	3,541,801	3,649,486
Malaysian Ringgit	784,419	24,101	31,316,694	32,125,214
Singapore Dollar	26,703	4,171	2,653,864	2,684,738
	<u>918,807</u>	<u>28,272</u>	<u>37,512,359</u>	<u>38,459,438</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 BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

##### Market risk (continued)

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

The table below summarises the sensitivity of the Fund's profit/(loss) 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 constant. 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.

	<u>Change in price %</u>	<u>Impact on profit/(loss) after tax/NAV USD</u>
<u>2023</u>		
Australian Dollar	+/-13.80	-/+ 410,221
Malaysian Ringgit	+/-5.84	-/+ 1,612,216
Singapore Dollar	+/-5.82	-/+ 146,791
<u>2022</u>		
Australian Dollar	+/-8.49	-/+ 308,107
Malaysian Ringgit	+/-3.39	-/+ 1,088,758
Singapore Dollar	+/-4.07	-/+ 108,949

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. The Manager manages the 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.

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

##### Credit risk (continued)

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

	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Forward foreign contracts</u> USD	<u>Total</u> USD
<u>2023</u>				
Financial Services				
- AAA	1,376,294	-	3,626	1,379,920
- AA1	-	-	8,341	8,341
Others				
- NR	-	195,701	-	195,701
	<u>1,376,294</u>	<u>195,701</u>	<u>11,967</u>	<u>1,583,962</u>
		<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial Services				
- AAA		1,784,403	-	1,784,403
Others				
- NR		-	28,350	28,350
		<u>1,784,403</u>	<u>28,350</u>	<u>1,812,753</u>

##### 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 payments and cancellation of units 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 BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (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>2023</u>			
Forward foreign currency contracts	350,948	504,740	855,688
Amount due to Manager			
- management fee	57,477	-	57,477
- cancellation of units	94,300	-	94,300
Amount due to Trustee	1,864	-	1,864
Auditors' remuneration	-	1,715	1,715
Tax agent's fee	-	751	751
Other payables and accruals	-	386	386
Net assets attributable to unitholders*	37,708,017	-	37,708,017
	<u>38,212,606</u>	<u>507,592</u>	<u>38,720,198</u>
<u>2022</u>			
Forward foreign currency contracts	521,462	397,345	918,807
Amount due to Manager			
- management fee	68,547	-	68,547
- cancellation of units	25,277	-	25,277
Amount due to Trustee	2,223	-	2,223
Auditors' remuneration	-	1,815	1,815
Tax agent's fee	-	794	794
Other payables and accruals	-	386	386
Net assets attributable to unitholders*	43,843,231	-	43,843,231
	<u>44,460,740</u>	<u>400,340</u>	<u>44,861,080</u>

\*Units are cancelled 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 BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (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 of 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 end date. The Fund utilises the current bid price for financial assets which fall within the bid-ask spread.

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 BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (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>2023</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	37,136,236	-	-	37,136,236
- forward foreign currency contracts	-	11,967	-	11,967
	<u>37,136,236</u>	<u>11,967</u>	<u>-</u>	<u>37,148,203</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	855,688	-	855,688
	<u>-</u>	<u>855,688</u>	<u>-</u>	<u>855,688</u>
<u>2022</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	43,048,327	-	-	43,048,327
	<u>43,048,327</u>	<u>-</u>	<u>-</u>	<u>43,048,327</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	918,807	-	918,807
	<u>-</u>	<u>918,807</u>	<u>-</u>	<u>918,807</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (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 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.

#### 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 2023, the management fee is recognised at a rate of 1.85% (2022: 1.85%) 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 of foreign custodian fees and charges.

For the financial year ended 30 June 2023, the Trustee fee is recognised at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, exclusive of 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.

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

#### 6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM14,000 (equivalent of: USD3,117 (2022: USD3,311) per annum.

#### 7 TAXATION

	<u>2023</u> USD	<u>2022</u> USD
Current taxation	-	-

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

	<u>2023</u> USD	<u>2022</u> USD
Net profit/(loss) before taxation	2,497,002	(8,083,937)
Tax at Malaysian statutory rate of 24% (2022: 24%)	599,280	(1,940,145)
Tax effects of:		
(Investment income not subject to tax)/		
Investment loss not brought to tax	(719,313)	1,820,119
Expenses not deductible for tax purposes	7,713	8,303
Restriction on tax deductible expenses for Wholesale Funds	112,320	111,723
Tax expense	-	-



## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	<u>37,136,236</u>	<u>43,048,327</u>
	<u>2023</u> USD	<u>2022</u> USD
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(273,446)	655,705
- unrealised gain/(loss) on changes in fair value	5,575,092	(6,198,383)
- management fee rebate on collective investment scheme #	308,388	301,813
	<u>5,610,034</u>	<u>(5,240,865)</u>

# In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme has been considered as part of its NAV. In order to prevent the double charging of management fee, management fee charged on the Fund's investment in a collective investment scheme has 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 NAV of the collective investment scheme.

(a) Collective investment scheme

(i) Collective investment scheme as at 30 June 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
Morgan Stanley Investment Fund – Global Brands Funds – Z Shares (Accumulation Share Class)	369,736	34,977,640	37,136,236	98.48
Total collective investment scheme	<u>369,736</u>	<u>34,977,640</u>	<u>37,136,236</u>	<u>98.48</u>
Accumulated unrealised gain on collective investment scheme		2,158,596		
Total collective investment scheme		<u>37,136,236</u>		

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

(a) Collective investment scheme (continued)

(ii) Collective investment scheme as at 30 June 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Morgan Stanley Investment Fund – Global Brands Funds – Z Shares (Accumulation Share Class)	489,241	46,464,823	43,048,327	98.19
Total collective investment scheme	<u>489,241</u>	<u>46,464,823</u>	<u>43,048,327</u>	<u>98.19</u>
Accumulated unrealised loss on collective investment scheme		<u>(3,416,496)</u>		
Total collective investment scheme		<u>43,048,327</u>		

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 30 June 2023 is as follows:

	<u>Percentage of Target Fund's NAV %</u>
Microsoft Corp	7.57
Philip Morris International Inc	6.56
SAP SE	5.91
Accenture Plc	5.62
Reckitt Benckiser Group Plc	5.57
Visa Inc	5.35
Danaher Corp	4.70
Thermo Fisher Scientific Inc	4.39
Intercontinental Exchange Inc	3.88
Becton, Dickinson & Co.	3.63
Total	<u>53.18</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

(b) Target Fund's top 10 holdings (continued)

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

	Percentage of Target Fund's NAV %
Microsoft Corp	8.72
Philip Morris International Inc	7.55
Reckitt Benckiser Group Plc	6.90
Visa Inc	5.98
Danaher Corp	5.42
Accenture Plc	4.86
Thermo Fisher Scientific Inc	4.79
SAP SE	4.55
Abbott Laboratories	4.43
Baxter International Inc	3.82
Total	<u>57.02</u>

#### 9 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 21 (2022: 29) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD33,202,784 (2022: USD38,844,331). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Hedged classes denominated in Australian Dollar, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss: - forward foreign currency contracts	<u>11,967</u>	<u>-</u>
Financial liabilities at fair value through profit or loss: - forward foreign currency contracts	<u>855,688</u>	<u>918,807</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

	<u>2023</u> USD	<u>2022</u> USD
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(2,375,239)	(1,186,729)
- unrealised gain/(loss) on changes in fair value	75,086	(818,067)
	<u>(2,300,153)</u>	<u>(2,004,796)</u>

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 30 June 2023 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#	5,888,855	6,150,072	(261,217)	(0.69)
BNP Paribas Malaysia Bhd	4,211,400	4,320,564	(109,164)	(0.29)
CIMB Bank Bhd	2,980,251	3,072,296	(92,045)	(0.24)
J.P Morgan Chase Bank Bhd	10,596,439	10,885,709	(289,270)	(0.77)
Malayan Banking Bhd	2,958,860	2,986,447	(27,587)	(0.07)
Standard Chartered Bank (Malaysia) Bhd	4,310,978	4,359,093	(48,115)	(0.13)
United Overseas Bank (Malaysia) Bhd	1,412,280	1,428,603	(16,323)	(0.05)
Total forward foreign currency contracts	<u>32,359,063</u>	<u>33,202,784</u>	<u>(843,721)</u>	<u>(2.24)</u>

(ii) 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 of NAV</u> %
Affin Hwang Investment Bank Bhd#	12,503,987	12,692,630	(188,643)	(0.43)
BNP Paribas Malaysia Bhd	5,732,960	5,816,691	(83,730)	(0.19)
CIMB Bank Bhd	2,445,744	2,517,100	(71,356)	(0.16)
J.P Morgan Chase Bank Bhd	9,647,724	10,094,739	(447,015)	(1.02)
Malayan Banking Bhd	2,934,018	3,061,204	(127,186)	(0.29)
Standard Chartered Bank (Malaysia) Bhd	4,661,090	4,661,967	(877)	(0.00)
Total forward foreign currency contracts	<u>37,925,524</u>	<u>38,844,331</u>	<u>(918,807)</u>	<u>(2.10)</u>

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

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION

(a)	AUD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of financial year	9,083,000	6,038,000
	Creation of units arising from applications during the financial year	19,000	4,548,000
	Cancellation of units during the financial year	(2,064,000)	(1,503,000)
	At the end of the financial year	<u>7,038,000</u>	<u>9,083,000</u>
(b)	MYR Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of financial year	233,254,000	111,357,000
	Creation of units arising from applications during the financial year	26,575,000	192,386,000
	Cancellation of units during the financial year	(66,909,000)	(70,489,000)
	At the end of the financial year	<u>192,920,000</u>	<u>233,254,000</u>
(c)	SGD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of financial year	6,578,000	3,311,000
	Creation of units arising from applications during the financial year	44,000	3,891,000
	Cancellation of units during the financial year	(1,225,000)	(624,000)
	At the end of the financial year	<u>5,397,000</u>	<u>6,578,000</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

(d) USD Class units in circulation

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of financial year	11,171,000	7,688,000
Creation of units arising from applications during the financial year	38,000	8,916,000
Cancellation of units during the financial year	(2,780,000)	(5,433,000)
At the end of the financial year	<u>8,429,000</u>	<u>11,171,000</u>

#### 11 TRANSACTIONS WITH BROKER

(i) Details of transactions with the broker for the financial year ended 30 June 2023 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of total trade %
Morgan Stanley Investment Management Ltd	<u>16,613,737</u>	<u>100.00</u>

(ii) Details of transactions with the broker for the financial year ended 30 June 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of total trade %
Morgan Stanley Investment Management Ltd	<u>36,734,284</u>	<u>100.00</u>

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager
Nikko Asset Management Co., Ltd ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

#### 12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

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

	<u>2023</u>		<u>2022</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (The units are held legally for booking purposes)				
- AUD Hedged-class	3,393	1,398	2,551	995
- MYR Hedged-class	3,351	468	3,047	409
- SGD Hedged-class	10,953	5,031	10,780	4,349
- USD Class	2,715	1,733	2,018	1,144
	<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.

#### 13 TOTAL EXPENSE RATIO ("TER")

	<u>2023</u>	<u>2022</u>
	%	%
TER	1.93	1.94
	<u>          </u>	<u>          </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 Fund calculated on a daily basis

The average NAV of the Fund for the financial year ended 30 June 2023 calculated on a daily basis is USD41,868,976 (2022: USD41,373,566).



## AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

#### 14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2023</u>	<u>2022</u>
PTR (times)	0.20	0.44

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD2,700,000 (2022: USD29,380,000)  
total disposal for the financial year = USD14,187,183 (2022: USD6,698,579)

#### 15 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

##### Change in corporate shareholding of AHAM Asset Management Berhad (formerly known as 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 AHAM Asset Management Berhad (formerly known as 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, AHAM Asset Management (formerly known as Affin Hwang Asset Management Berhad) Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

##### Change in substantial shareholders of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divested all its equity interest of 27% in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT") resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

## **AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 35 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 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 June 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**AHAM ASSET MANAGEMENT BERHAD**  
**(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD)**

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

Kuala Lumpur  
22 August 2023

# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL BRANDS FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Affin Hwang World Series - Global Brands Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the financial year ended 30 June 2023, 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 2023, 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 35.

### 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 BRANDS 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 BRANDS 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 Company'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 of the Fund 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 BRANDS 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  
22 August 2023

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### **HEAD OFFICE**

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**AHAM Asset Management Berhad**

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