



ANNUAL REPORT
30 June 2023

Affin Hwang World Series – **Income and Growth Fund**

MANAGER
AHAM Asset Management Berhad
*(Formerly known as Affin Hwang Asset
Management Berhad)*
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Trustee
Deutsche Trustees Malaysia Berhad
(763590-H)

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AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

Annual Report and Audited Financial Statements For the
Financial Period 16 November 2022 – 30 June 2023

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FUND INFORMATION

Fund Name	Affin Hwang World Series - Income and Growth Fund
Fund Type	Growth & Income
Fund Category	Feeder Fund
Investment Objective	The Fund aims to provide investment results that closely correspond to the daily performance of the Benchmark
Distribution Policy	The Fund endeavours to distribute income on an annual basis, after the end of its first financial year. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above

FUND PERFORMANCE DATA

Category	As at 30 Jun 2023 (%)
Portfolio composition	
Quoted derivative - futures	-
Collective investment schemes - local	85.48%
Cash and Cash Equivalent	14.52%
Total	

Currency class	<u>MYR</u> <u>Hedged-</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>AUD</u> <u>Hedged-</u> <u>Class</u>	<u>SGD</u> <u>Hedged-</u> <u>Class</u>
Total NAV (million)	5.761	0.011	0.050	0.102
NAV per unit (in respective currencies)	0.5069	0.5123	0.5144	0.5108
Unit in Circulation (million)	11.366	0.022	0.097	0.199
Highest NAV per unit	0.5179	0.5202	0.5244	0.5147
Lowest NAV per unit	0.4885	0.4895	0.4954	0.4885
Return of the Fund (%) ¹	3.62	4.72	5.14	3.57
- Capital Growth (%)	1.38	2.46	2.88	2.16
- Income Distribution (%)	2.21	2.20	2.20	1.38
Gross Distribution per Unit (sen)	1.09	1.10	1.10	0.01
Net Distribution per Unit (sen)	1.09	1.10	1.10	0.01
Total Expense Ratio (%)			1.22	
Portfolio Turnover Ratio (times) ²			1.50	

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

¹ The performance of the Fund is reviewed beginning from the investment date of the Fund, 7th December 2022.

MANAGER'S REPORT

Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distribution was as follows:-

MYR Hedged Class

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
14-Mar-23	15-Mar-23	0.4956	0.0027	0.4899
18-Apr-23	19-Apr-23	0.5074	0.0028	0.5025
16-May-23	17-May-23	0.4997	0.0027	0.4962
20-Jun-23	21-Jun-23	0.5090	0.0027	0.5049

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
14-Mar-23	15-Mar-23	0.4980	0.0027	0.4923
18-Apr-23	19-Apr-23	0.5113	0.0028	0.5064
16-May-23	17-May-23	0.5047	0.0027	0.5013
20-Jun-23	21-Jun-23	0.5145	0.0027	0.5103

AUD Hedged Class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
14-Mar-23	15-Mar-23	0.5029	0.0027	0.4972
18-Apr-23	19-Apr-23	0.5149	0.0028	0.5102
16-May-23	17-May-23	0.5080	0.0027	0.5047
20-Jun-23	21-Jun-23	0.5156	0.0028	0.5115

SGD Hedged Class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
14-Mar-23	15-Mar-23	0.5003	0.0027	0.4939
16-May-23	17-May-23	0.5029	0.0014	0.5006
20-Jun-23	21-Jun-23	0.5131	0.0028	0.5089

Fund Performance

Performance Review (7 December 2022 to 30 June 2023)

USD Class

For the period 7 December 2022 to 30 June 2023, the Fund registered a 4.72% return. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was USD0.5123 compared to the initial NAV per unit of USD0.5000. During the period under review, the Fund has declared a total income distribution of USD0.01099 per unit.

AUD Hedged-Class

For the period 7 December 2022 to 30 June 2023, the Fund registered a 5.14% return. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was AUD0.5144 compared to the initial NAV per unit of AUD0.5000. During the period under review, the Fund has declared a total income distribution of AUD0.01103 per unit.

MYR Hedged-Class

For the period 7 December 2022 to 30 June 2023, the Fund registered a 3.62% return. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was MYR0.5069 compared to the initial NAV per unit of MYR0.5000. During the period under review, the Fund has declared a total income distribution of MYR0.01092 per unit.

SGD Hedged-Class

For the period 7 December 2022 to 30 June 2023, the Fund registered a 3.57% return. The Net Asset Value (NAV) per unit of the Fund as at 30 June 2023 was SGD0.5108 compared to the initial NAV per unit of SGD0.5000. During the period under review, the Fund has declared a total income distribution of SGD0.00687 per unit.

Table 1: Performance of the Fund

	Since Commencement (7/12/22 - 30/6/23)
USD	4.72%
AUD Hedged	5.14%
MYR Hedged	3.62%
SGD Hedged	3.57%

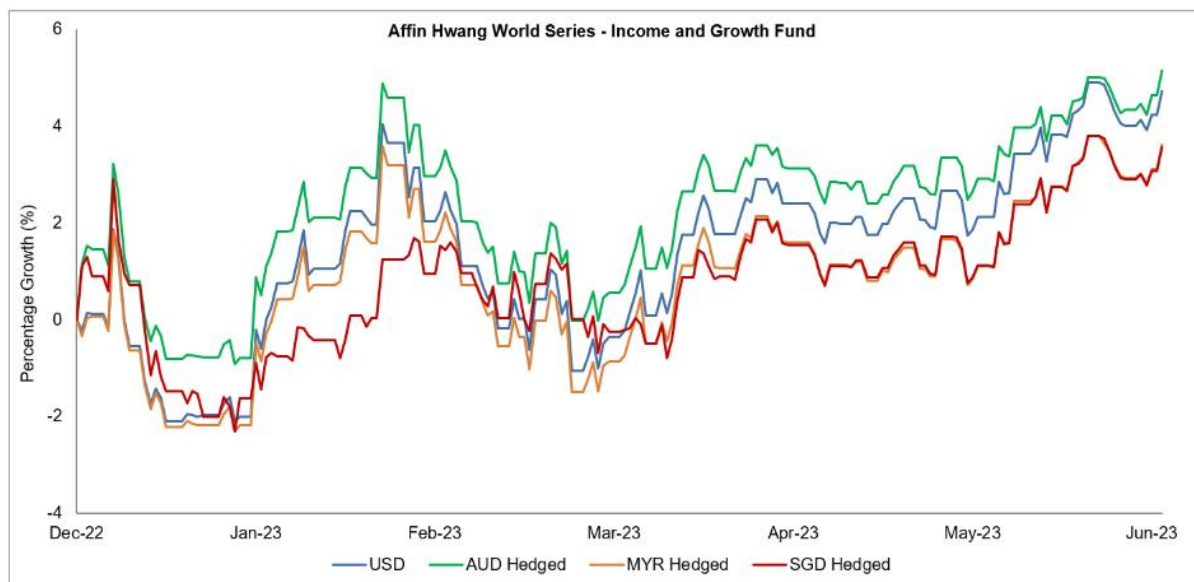
Table 2: Average Total Return

	Since Commencement (7/12/22 - 30/6/23)
USD	8.51%
AUD Hedged	9.29%
MYR Hedged	3.62%
SGD Hedged	3.57%

Table 3: Annual Total Return

	FYE 2023 (7/12/22 - 30/6/23)
USD	4.72%
AUD Hedged	5.14%
MYR Hedged	3.62%
SGD Hedged	3.57%

Figure 1: Movement of the Fund 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."

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

As at 30 June 2023, the Fund's asset allocation stood at 85.48% in collective investment schemes, while the remaining was held in cash and cash equivalent.

Strategies Employed

The Manager continues to meet the requirement of investing a minimum of 85% of the Fund's net asset value in the Target Fund while ensuring sufficient liquidity to meet repurchase requests by Unit Holders.

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 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 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.

Major macro events over the financial year under review had a notable effect on the domestic market. The local market was subdued with the benchmark Kuala Lumpur Composite Index (“KLCI”) closing 4.67% lower in comparison to a year ago as persistent foreign selling put pressure on the index. A weaker Ringgit and political uncertainty also dampened market sentiment as investors opted to stay on the side lines. Due to Malaysia’s close trade relation to China, the Ringgit weakened considerably year to date. In a statement, Bank Negara Malaysia (“BNM”) believes that the depreciation of the Ringgit is not fundamentally driven and that global headwinds are driving investors to seek safe haven assets like the US dollar. Significant developments in the political landscape were present as all 6 outstanding states have recently announced the dissolution of their respective State Assembly paving the way for state polls. The Election Commission (“EC”) recently announced that polling date would fall on the 12 August. On local fixed income, the 10-year MGS yield closed at 3.85%. Malaysia’s inflation eased further with the consumer price index (“CPI”) slowing to 2.8% from 3.3%. A sustained decline in inflationary pressure may put less pressure on BNM to raise the Overnight Policy Rate (“OPR”) as it also weighs movements of the Ringgit.

A year ago, we saw bonds selling off sharply with yields markedly higher amid elevated inflation data and hawkish tones from central banks. However, with markets starting to stabilise by the second half of 2023, government bond yields were on the rise again, although with some bifurcation. Higher-than-expected inflation and persistence to combat inflation resulted in underperformance within UK and Australia. On a separate note, the improving sentiment for global growth effected in weaker performance for lower yielding Japanese Yen while the sterling performed well, backed by higher interest rates.

Investment Outlook

Global equity markets still remain susceptible to shifting sentiment towards geopolitical tensions, inflation, economic growth and ultimately corporate earnings. Valuations have already significantly adjusted to reflect a change in the market environment, and we believe reflect realistic expectations for inflation, rates and risk premia. Consequently, the source of risk has now shifted from valuation to earnings in light of the softer growth and prospects for a recession, which appears increasingly likely.

The Chinese equities as well as credit market took a breather from February onwards after strong rally in the prior months. Market sentiment was dampened by the re-intensifying geopolitical tensions between US-China which arose from the balloon controversies and the plan to expand US troops in Taiwan for military training. On the other hand, macro and economic front continued to deliver encouraging data. Consumption to recover in February, stronger and at a faster pace than expected, albeit with more encouraging signs in the services sector over consumer goods. Signs of the rebound were evident over the Chinese New Year holiday, and domestic tourism recorded the strongest visitor and revenue levels since the pandemic. China's official manufacturing Purchasing Manufature Index ("PMI") rose to 52.6 in February from 50.1 in January, however has dipped slightly to 51.9 in March. Non-manufacturing PMI on the other hand rose to 58.2 in March, the highest since May 2011. The supportive stance continued into 2023 and was recently validated by the 2 sessions that took place in early March. The general positive tone on economic recovery and consumption stimulus remains, alongside with the announcement of the new cabinet and securing of President Xi's third term.

In contrast to the expected slowdown in the developed market economy, Malaysia's economic fundamentals continues to remain strong. Within the financial period under review, the government unveiled its revised budget, focusing on sustainable economic growth, institutional reforms and reducing social inequality. The benchmark KLCI edged lower as market reaction to Budget 2023 was neutral. The absence of any prosperity tax is a huge relief to the market that should augur well for corporate earnings. Notwithstanding macro noises, Malaysia economy is primarily domestic driven and therefore more insulated against external shocks.

Bond investors may continue to see some relief this year after enduring a painful 2022 which saw rates volatility reaching unprecedented highs. In 2023, volatility in rates is expected to temper down as we see a slower pace of adjustment in rates. In addition, a slower growth outlook is beneficial for rates. On local fixed income, credit rating agencies are likely to maintain the sovereign ratings of Malaysia bonds. Rates volatility will be driven by external development.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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 period.

Securities Financing Transactions

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

Changes Made To the Fund's Prospectus

There were no changes made to the Fund's prospectus during the financial period under review.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND (“Fund”)

We have acted as the Trustee of the Fund for the financial period from 16 November 2022 (date of launch) – 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 period 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 Unit Trust Funds;
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.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur
25 August 2023

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022
(DATE OF LAUNCH) TO 30 JUNE 2023**

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022
(DATE OF LAUNCH) TO 30 JUNE 2023**

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AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023

	<u>Note</u>	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
INVESTMENT LOSS		
Dividend income		15,409
Net loss on foreign currency exchange		(397)
Net loss on forward foreign currency contracts at fair value through profit or loss	10	(33,749)
Net gain on financial assets at fair value through profit or loss	9	15,384
		<hr style="width: 100%; border: 0.5px solid black;"/> (3,353) <hr style="width: 100%; border: 0.5px solid black;"/>
EXPENSES		
Management fee	4	(3,793)
Trustee fee	5	(102)
Other expenses		(1,091)
		<hr style="width: 100%; border: 0.5px solid black;"/> (4,986) <hr style="width: 100%; border: 0.5px solid black;"/>
NET LOSS BEFORE FINANCE COST AND TAXATION		(8,339)
FINANCE COST		
Distributions	7	(12,014)
NET LOSS BEFORE TAXATION		<hr style="width: 100%; border: 0.5px solid black;"/> (20,353)
Taxation	8	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<hr style="width: 100%; border: 0.5px solid black;"/> (20,353) <hr style="width: 100%; border: 1px solid black;"/>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
Decrease in net asset attributable to unitholders is made up of the following:	
Realised amount	(9,872)
Unrealised amount	(10,481)
	<hr/>
	(20,353)
	<hr/> <hr/>

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 – INCOME AND GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	<u>Note</u>	As at <u>30.6.2023</u> USD
ASSETS		
Cash and cash equivalents		55,460
Amount due from Manager		
- creation of units		345,968
- management fee rebate receivable		787
Financial assets at fair value through profit or loss	9	1,157,961
Forward foreign currency contracts at fair value through profit or loss	10	977
TOTAL ASSETS		<u>1,561,153</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	10	24,831
Amount due to broker		180,000
Amount due to Manager		
- management fee		1,057
- cancellation of units		572
Amount due to Trustee		28
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>206,488</u>
NET ASSET VALUE OF THE FUND		<u>1,354,665</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,354,665</u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

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

	<u>Note</u>	As at <u>30.6.2023</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class		33,046
- MYR Hedged-class		1,235,419
- SGD Hedged-class		74,929
- USD Class		11,271
		<u>1,354,665</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	11 (a)	97,000
- MYR Hedged-class	11 (b)	11,366,000
- SGD Hedged-class	11 (c)	199,000
- USD Class	11 (d)	22,000
		<u>11,684,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class		0.3407
- MYR Hedged-class		0.1087
- SGD Hedged-class		0.3765
- USD Class		0.5123
		<u>0.5123</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class		AUD0.5144
- MYR Hedged-class		RM0.5069
- SGD Hedged-class		SGD0.5108
- USD Class		USD0.5123
		<u>USD0.5123</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 – INCOME AND GROWTH FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023

	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH	-
Movement due to units created and cancelled during the financial period:	
Creation of units arising from applications	1,427,320
- AUD Hedged-class	32,533
- MYR Hedged-class	1,307,682
- SGD Hedged-class	75,042
- USD Class	12,063
Creation of units arising from distributions	11,354
- AUD Hedged-class	696
- MYR Hedged-class	9,882
- SGD Hedged-class	611
- USD Class	165
Cancellation of units	(63,656)
- AUD Hedged-class	(173)
- MYR Hedged-class	(62,342)
- SGD Hedged-class	(27)
- USD Class	(1,114)

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
Net decrease in net assets attributable to unitholders during the financial period comprised of:	(20,353)
- AUD Hedged-class	(11)
- MYR Hedged-class	(19,803)
- SGD Hedged-class	(696)
- USD Class	157
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<hr/> 1,354,665 <hr/>

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 – INCOME AND GROWTH FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023

	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from the sales of investments	42,936
Purchase of investments	(1,008,408)
Dividend received	15,409
Management fee rebate received	2,107
Management fee paid	(2,736)
Trustee fee paid	(74)
Payments for other fees and expenses	(1,091)
Realised loss on forward foreign currency contracts	(9,895)
Net realised loss on foreign currency exchange	(1,010)
	<hr/>
Net cash flows used in operating activities	(962,762)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from creation of units	1,081,352
Payments for cancellation of units	(63,084)
Payments for distribution	(660)
	<hr/>
Net cash flows generated from financing activities	1,017,608
NET INCREASE IN CASH AND CASH EQUIVALENTS	
	54,846
EFFECTS OF FOREIGN CURRENCY EXCHANGE	
	614
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH	
	<hr/> -
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	
	<hr/> <u>55,460</u>

Cash and cash equivalents as at 30 June 2023 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 – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 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 period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

(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 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:

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Presentation' does not impact the current or non-current classification of the convertible instrument.

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

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

B INCOME RECOGNITION

Dividend income

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

Realised gains and losses on sale of investments

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

C DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income . A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

At Manager's discretion, the Fund may distribute

- i. Realised income;
- ii. Realised capital gains;
- iii. Unrealised income;
- iv. Unrealised capital gains;
- v. Capital; or
- vi. A combination of any of the above.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

D 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 period.

E 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.

F 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.

G 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 financial assets measured at 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.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

Investment 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 broker, amount due to Manager and amount due to Trustee, as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

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

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

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

Financial liabilities are de-recognised 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 transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

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

Financial assets measured at amortised cost and other financial liabilities, except forward foreign currency contracts are subsequently carried at amortised cost using the effective interest method.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

H 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.

I AMOUNT DUE FROM/(TO) BROKER

Amounts 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 G 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.

J 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 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.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

K DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and 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 are determined using forward exchange rates at the date of statements 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 measured at fair value through profit or loss.

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

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

M 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 Unit Trust Funds.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Functional currency

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

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

N REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised 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 Unit Trust Funds.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang World Series – Income and Growth Fund (the “Fund”) pursuant to the execution of a Deed dated 14 March 2022 (the “Deed”) entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”). The Fund commenced operations on 16 November 2022 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

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

- (a) Collective investment scheme;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) Any other form of investments permitted by the SC that is in line with the investment objective and asset allocation of the Fund.

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. 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 XX August 2023.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>As at 30.6.2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		55,460	-	55,460
Amount due from Manager				
- creation of units		345,968	-	345,968
- management fee rebate receivable		787	-	787
Collective investment scheme	9	-	1,157,961	1,157,961
Forward foreign currency contracts at fair value through profit or loss	10	-	977	977
Total		<u>402,215</u>	<u>1,158,938</u>	<u>1,561,153</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	10	-	24,831	24,831
Amount due to broker		180,000	-	180,000
Amount due to Manager				
- management fee		1,057	-	1,057
- cancellation of units		572	-	572
Amount due to Trustee		28	-	28
Total		<u>181,657</u>	<u>24,831</u>	<u>206,488</u>

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust Funds.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

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

Market risk

(a) Price risk

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

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

	As at <u>30.6.2023</u> USD
Quoted investment	
Collective investment scheme	1,157,961

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

<u>% Change in price</u>	<u>Market value</u> USD	Impact on loss after <u>tax/NAV</u> USD
<u>As at 30.6.2023</u>		
-10%	1,042,165	(115,796)
0%	1,157,961	-
+10%	1,273,757	115,796

(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, the Fund is not exposed to any interest rate risk.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 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 the foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

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

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>As at 30.6.2023</u>				
<u>Financial assets</u>				
Australian Dollar	93	884	-	977
Malaysian Ringgit	884	16,077	345,968	362,929
Singapore Dollar	-	1,189	-	1,189
	<u>977</u>	<u>18,150</u>	<u>345,968</u>	<u>365,095</u>
		<u>Forward foreign currency contracts</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Australian Dollar		-	33,046	33,046
Malaysian Ringgit		23,191	1,235,419	1,258,610
Singapore Dollar		1,640	74,929	76,569
		<u>24,831</u>	<u>1,343,394</u>	<u>1,368,225</u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 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 loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on loss after tax/ NAV USD
<u>As at 30.6.2023</u>		
Australian Dollar	+/- 9.80	-/+ 3,144
Malaysian Ringgit	+/- 5.02	-/+ 44,976
Singapore Dollar	+/- 4.17	-/+ 3,142

Liquidity risk

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

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.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

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

Liquidity risk (continued)

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

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>As at 30.6.2023</u>			
Forward foreign currency contracts at fair value through profit or loss	9,588	15,243	24,831
Amount due to broker	180,000	-	180,000
Amount due to Manager			
- management fee	1,057	-	1,057
- cancellation of units	572	-	572
Amount due to Trustee	28	-	28
Net assets attributable to unitholders*	1,354,665	-	1,354,665
	<u>1,545,910</u>	<u>15,243</u>	<u>1,561,153</u>

* Outstanding units are cancelled on demand at the unitholder's option (Note J). 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.

Credit risk

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

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

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 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:

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>As at 30.6.2023</u>				
Financial services				
- AAA	502	-	-	502
- AA1	342	55,460	-	55,802
- AA2	-	-	-	-
- NR	133	-	-	133
Others				
- NR	-	-	346,755	346,755
	<u>977</u>	<u>55,460</u>	<u>346,755</u>	<u>403,192</u>

Capital risk

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

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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.

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.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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>As at 30.6.2023</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	1,157,961	-	-	1,157,961
- forward foreign currency contracts	-	977	-	977
	<u>1,157,961</u>	<u>977</u>	<u>-</u>	<u>1,158,938</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	24,831	-	24,831
	<u>-</u>	<u>24,831</u>	<u>-</u>	<u>24,831</u>

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.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial period from 16 November 2022 (date of launch) to 30 June 2023, the management fee is recognised at a rate of 1.50% per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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, calculated on a daily basis.

For the financial period from 16 November 2022 (date of launch) to 30 June 2023, the Trustee's fee is recognised at a rate of 0.04% per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

6 AUDITOR'S REMUNERATION AND TAX AGENT'S FEE

For the financial year ended 30 June 2023, auditors' remuneration of RM8,000 and tax agent's fee of RM3,500 is borne by the Manager.

7 DISTRIBUTIONS

	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
Distributions to unitholders is from the following sources:	
Dividend income	12,014
Gross realised income	12,014
Less: Expenses	
Net distribution amount	<u>12,014</u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

7 DISTRIBUTIONS (CONTINUED)

	Gross/Net distribution per unit (cent)			
	AUD	MYR	SGD	USD Class
	<u>Hedged-class</u>	<u>Hedged-class</u>	<u>Hedged-class</u>	<u>USD</u>
<u>2023</u>	AUD	RM	SGD	USD
15.3.2023	0.270	0.270	0.270	0.270
19.4.2023	0.284	0.280	-	0.282
17.5.2023	0.273	0.269	0.142	0.272
21.6.2023	0.276	0.273	0.275	0.275
	<u>1.103</u>	<u>1.092</u>	<u>0.687</u>	<u>1.099</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

There are unrealised losses of USD10,481 for the financial period ended 30 June 2023.

8 TAXATION

	Financial period from 16.11.2022 (date of launch) to 30.6.2023 USD
Current taxation	-
Net loss before taxation	(20,353)
Tax at Malaysian statutory rate of 24%	(4,885)
Tax effects of:	
Investment loss not brought to tax	1,521
Expenses not deductible for tax purposes	3,170
Restriction on tax deductible expenses for Unit Trust Funds	194
Tax expense	-

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <u>30.6.2023</u> USD
Financial assets at fair value through profit or loss:	
- collective investment scheme	1,157,961
	<hr/> <hr/>
	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> USD
Net gain on financial assets at fair value through profit or loss:	
- realised losses on the sales of investments	(270)
- unrealised gain on changes in fair value	12,759
- management fee rebate on collective investment scheme #	2,895
	<hr/> <hr/>
	15,384

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

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

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

(a) Collective investment scheme

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

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Allianz Select Income & Growth AM-USD	145,230	1,145,202	1,157,961	85.48
Total collective investment scheme	<u>145,230</u>	<u>1,145,202</u>	<u>1,157,961</u>	<u>85.48</u>
Accumulated unrealised gain on collective investment scheme		<u>12,759</u>		
Total collective investment scheme		<u><u>1,157,961</u></u>		

(b) Target Fund's top 10 holdings

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

	<u>Percentage of Target Fund's NAV %</u>
Alphabet INC - CLA	1.90
Apple Inc	1.90
Microsoft Corp	1.40
Tesla Inc	1.40
Amazon. Com. Inc	1.40
Enphase Energy Inc	1.20
Mastercard Inc - A	1.10
Wells fargo & Company	0.90
Nextera Energy Inc	0.90
Palo Alto Networks	0.90
	<u><u>13.00</u></u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 18 forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD1,373,908. The forward foreign currency contracts entered into during the financial period 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 period, the change in the fair value of the forward currency contracts are recognised immediately in profit or loss.

	<u>2023</u> USD
Financial assets at fair value through profit or loss:	
- forward foreign currency contract	977
	<u>977</u>
Financial liabilities at fair value through profit or loss:	
- forward foreign currency contracts	24,831
	<u>24,831</u>
Net loss on forward foreign currency contracts at fair value through profit or loss:	
- realised loss on forward foreign currency contracts	(9,895)
- unrealised loss on forward foreign currency contracts	(23,854)
	<u>(33,749)</u>

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 30 June 2023 is as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
CIMB Bank Bhd	720,441	740,437	(20,026)	(1.48)
BNP Paribas Malaysia Bhd	170,332	169,990	342	0.03
Hong Leong Bank Bhd	175,017	174,608	409	0.03
J.P Morgan Securities Bank Bhd	284,294	288,873	(4,579)	(0.34)
	<u>1,350,054</u>	<u>1,373,908</u>	<u>(23,854)</u>	<u>(1.76)</u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION

(a)	AUD Hedged-class units in circulation	As at <u>30.6.2023</u> No. of units
	At the date of launch	-
	Creation of units arising from applications	95,454
	Creation of units arising from distributions	2,056
	Cancellation of units	<u>(510)</u>
	At the end of the financial period	<u><u>97,000</u></u>
(b)	MYR Hedged-class units in circulation	As at <u>30.6.2023</u> No. of units
	At the date of launch	-
	Creation of units arising from applications	11,827,272
	Creation of units arising from distributions	90,165
	Cancellation of units	<u>(551,437)</u>
	At the end of the financial period	<u><u>11,366,000</u></u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(c)	SGD Hedged-class units in circulation	As at <u>30.6.2023</u> No. of units
	At the date of launch	-
	Creation of units arising from applications	197,445
	Creation of units arising from distributions	1,628
	Cancellation of units	(73)
	At the end of the financial period	<u>199,000</u>
(d)	USD Class units in circulation	As at <u>30.6.2023</u> No. of units
	At the date of launch	-
	Creation of units arising from applications	23,870
	Creation of units arising from distributions	327
	Cancellation of units	(2,197)
	At the end of the financial period	<u>22,000</u>

12 TRANSACTIONS WITH BROKER

(i) Details of transactions with the broker for the financial period from 16 November 2022 (date of launch) to 30 June 2023 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
Allianz Global Investors Singapore Ltd	<u>1,203,435</u>	<u>100.00</u>

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder 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
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder 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
Directors of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

13 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 period are as follows:

	<u>As at 30.6.2023</u>	
	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 purpose)		
- AUD Hedged-class	3,261	1,111
- MYR Hedged-class	2,345	255
- SGD Hedged-class	2,954	1,112
- USD Class	2,225	1,140
	<u> </u>	<u> </u>

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

14 TOTAL EXPENSE RATIO (“TER”)

	Financial period from 16.11.2022 (date of launch) to <u>30.6.2023</u> %
TER	<u>1.22</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 = Other expenses, excluding withholding tax and SST on transaction costs
 D = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD409,488.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 16 NOVEMBER 2022 (DATE OF LAUNCH) TO 30 JUNE 2023 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

Financial
period from
16.11.2022
(date of
launch) to
30.6.2023

PTR (times)

1.50

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = USD1,188,408

total disposal for the financial period = USD43,207

16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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 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.

17 COMPARATIVES

There are no comparatives as this is the first set of financial statements prepared since the launch of the Fund.

AFFIN HWANG WORLD SERIES – INCOME AND GROWTH 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 34 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 period from 16 November 2022 (date of launch) to 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
25 August 2023

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - INCOME AND GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series - Income and Growth 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 period from 16 November 2022 (date of launch) to 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 period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 34.

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 - INCOME AND GROWTH 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, 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 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 - INCOME AND GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - INCOME AND GROWTH 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
25 August 2023

DIRECTORY OF SALES OFFICE

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