



ANNUAL REPORT

31 October 2022

Affin Hwang World Series – **Long Term** **Global Growth 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 – LONG TERM GLOBAL GROWTH FUND

Annual Reports and Audited Financial Statements For The Financial Year End 31 October 2022

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FUND INFORMATION

Fund Name	Affin Hwang World Series – Long Term Global Growth Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period
Benchmark	MSCI All Country World Index
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 31 Oct 2022 (%)	As at 31 Oct 2021 (%)
Portfolio composition		
Collective investment scheme	98.91	97.00
Cash & cash equivalent	1.09	3.00
Total	100.00	100.00

Currency class	USD Class	MYRH Class	SGDH Class	AUDH Class	USD Class	MYRH Class	SGDH Class	AUDH Class
Total NAV (million)	8.086	174.497	4.678	2.219	17.757	360.208	35.198	4.845
NAV per Unit (in respective currencies)	0.3082	0.3097	0.2987	0.2977	0.6542	0.6562	0.6452	0.6577
Unit in Circulation (million)	26.236	563.498	15.664	7.456	27.141	548.808	17.724	7.366
Highest NAV	0.6724	0.6745	0.6631	0.6766	0.6802	0.6794	0.6729	0.6937
Lowest NAV	0.2948	0.2963	0.2860	0.2855	0.5000	0.5000	0.4259	0.5206
Return of the Fund (%)	-52.89	-52.80	-53.70	-54.74	30.84	31.24	29.04	31.54
- Capital Growth (%)	-52.89	-52.80	-53.70	-54.74	30.84	31.24	29.04	31.54
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) ¹		1.93				2.22		
Portfolio Turnover Ratio (times) ²		0.16				0.83		

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 decrease in the Fund's TER is due to a decrease in expenses incurred by the Fund during the period under review.

² The PTR of the Fund decreased due to lower trading activities of the Fund during the period under review.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial year ended 31 October 2022.

Fund Performance

USD Class

Performance Review (1 November 2021 to 31 October 2022)

For the period 1 November 2021 to 31 October 2022, the Fund registered a return of -52.89% compared to the benchmark return of -21.32%. The Fund thus underperformed the Benchmark by 31.57%. The Net Asset Value ("NAV") per unit as at 31 October 2022 was USD0.3082 compared to the NAV per unit on 31 October 2021 was USD0.6542.

Since commencement, the Fund has registered a return of -38.36% compared to the benchmark return of 3.93%, underperforming by 42.49%.

Table 1: Performance of the Fund

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(52.89%)	(38.36%)
Benchmark	(21.32%)	3.93%
Outperformance	(31.57%)	(42.29%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(52.89%)	(20.66%)
Benchmark	(21.32%)	1.86%
Outperformance	(31.57%)	(22.52%)

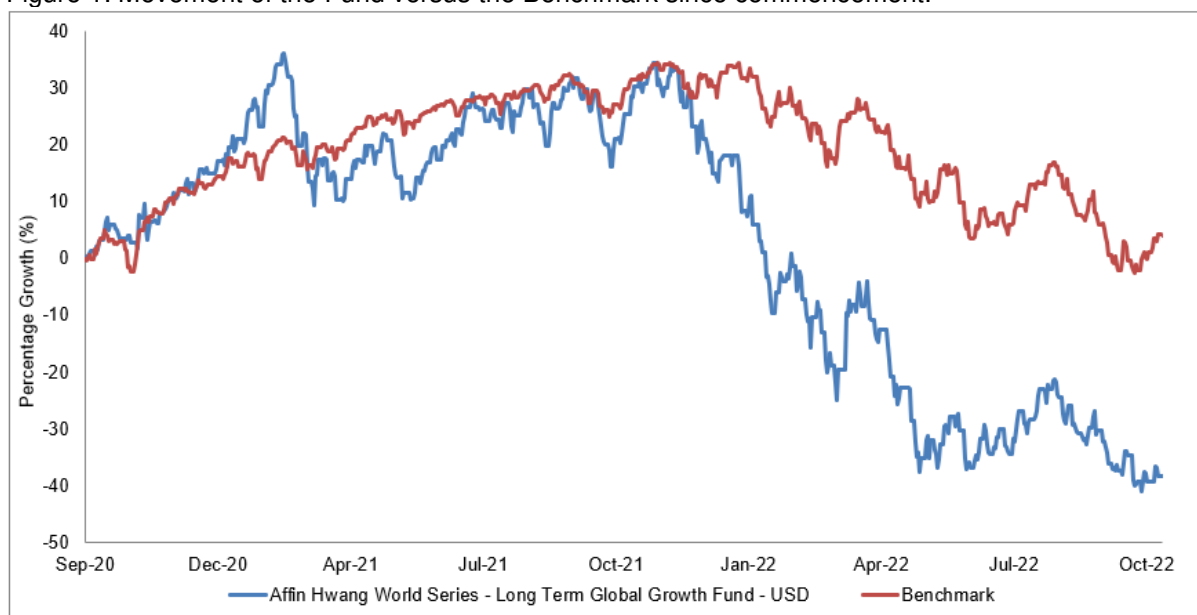
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/11/21 - 31/10/22)	FYE 2021 (29/9/20 - 31/10/21)
Fund	(52.89%)	30.84%
Benchmark	(21.32%)	32.09%
Outperformance	(31.57%)	(1.25%)

Source of Benchmark: Bloomberg

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



AUD Hedged-Class

Performance Review (1 November 2021 to 31 October 2022)

For the period 1 November 2021 to 31 October 2022, the Fund registered a return of -54.74% compared to the benchmark return of -7.60%. The Fund thus underperformed the Benchmark by 47.14%. The Net Asset Value (“NAV”) per unit as at 31 October 2022 was AUD0.2977 compared to the NAV per unit on 31 October 2021 was AUD0.6577.

Since commencement, the Fund has registered a return of -40.46% compared to the benchmark return of 14.79%, underperforming by 55.25%.

Table 1: Performance of the Fund

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(54.74%)	(40.46%)
Benchmark	(7.60%)	14.79%
Outperformance	(47.14%)	(55.25%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(54.74%)	(21.97%)
Benchmark	(7.60%)	6.82%
Outperformance	(47.14%)	(28.79%)

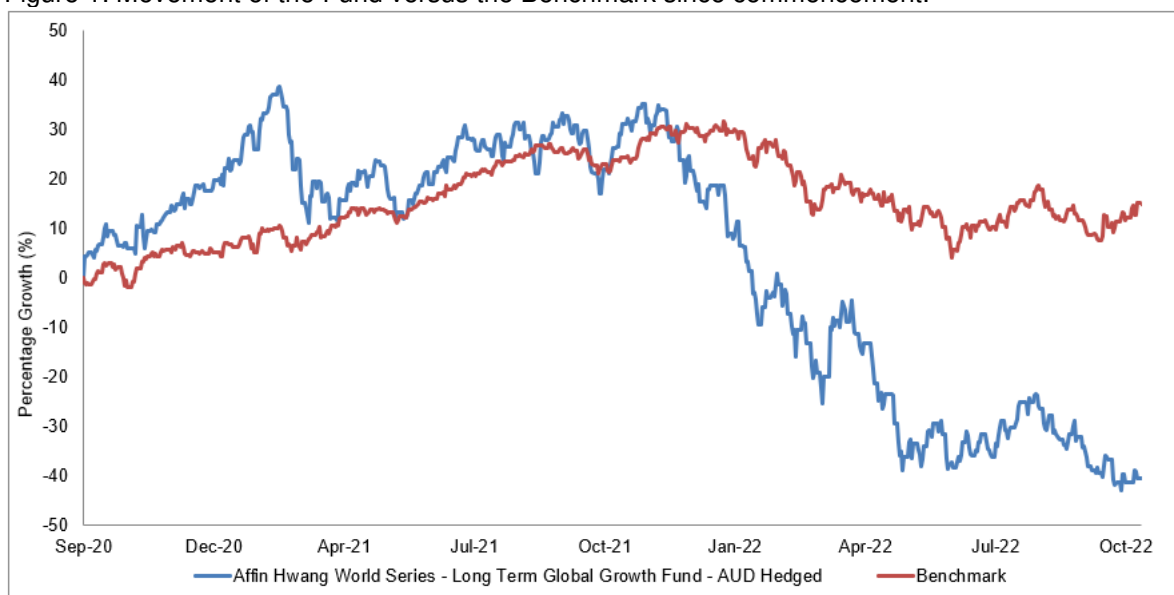
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/11/21 - 31/10/22)	FYE 2021 (29/9/20 - 31/10/21)
Fund	(54.74%)	31.54%
Benchmark	(7.60%)	24.23%
Outperformance	(47.14%)	7.31%

Source of Benchmark: Bloomberg

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



MYR Hedged-Class

Performance Review (1 November 2021 to 31 October 2022)

For the period 1 November 2021 to 31 October 2022, the Fund registered a return of -52.80% compared to the benchmark return of -10.13%. The Fund thus underperformed the Benchmark by 42.67%. The Net Asset Value (“NAV”) per unit as at 31 October 2022 was MYR0.3097 compared to the NAV per unit on 31 October 2021 was MYR0.6562.

Since commencement, the Fund has registered a return of -38.06% compared to the benchmark return of 17.68%, underperforming by 55.74%.

Table 1: Performance of the Fund

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(52.80%)	(38.06%)
Benchmark	(10.13%)	17.68%
Outperformance	(42.67%)	(55.74%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(52.80%)	(20.48%)
Benchmark	(10.13%)	8.10%
Outperformance	(42.67%)	(28.58%)

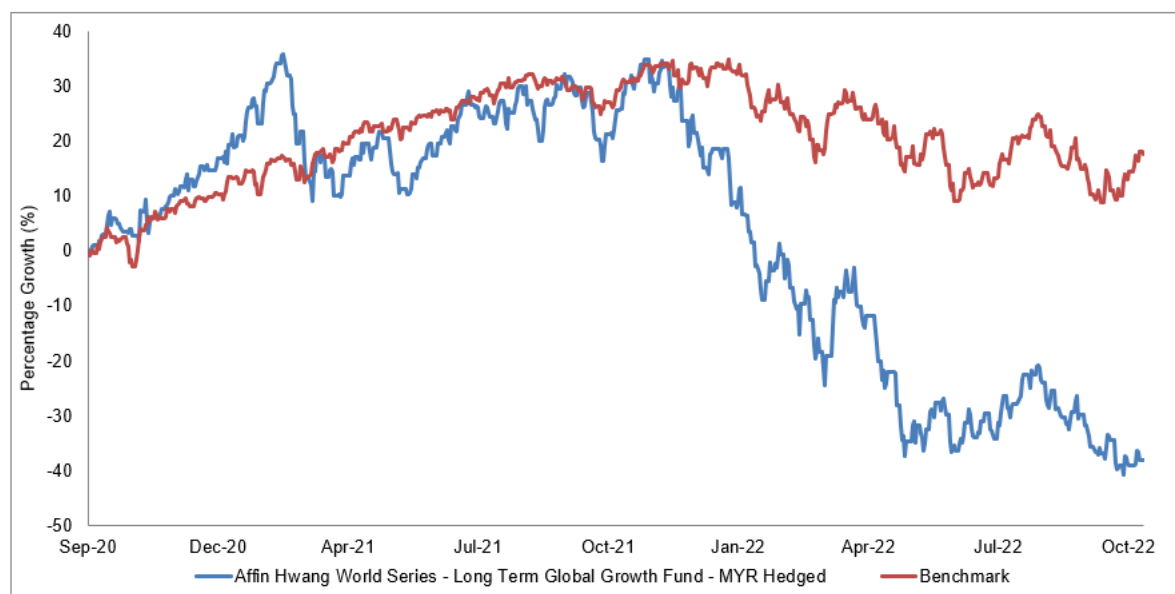
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/11/21 - 31/10/22)	FYE 2021 (29/9/20 - 31/10/21)
Fund	(52.80%)	31.24%
Benchmark	(10.13%)	30.95%
Outperformance	(42.67%)	0.29%

Source of Benchmark: Bloomberg

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



SGD Hedged-Class

Performance Review (1 November 2021 to 31 October 2022)

For the period 1 November 2021 to 31 October 2022, the Fund registered a return of -53.70% compared to the benchmark return of -17.52%. The Fund thus underperformed the Benchmark by 36.18%. The Net Asset Value (“NAV”) per unit as at 31 October 2022 was SGD0.2987 compared to the NAV per unit on 31 October 2021 was SGD0.6452.

Since commencement, the Fund has registered a return of -40.26% compared to the benchmark return of 7.09%, underperforming by 47.35%.

Table 1: Performance of the Fund

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(53.70%)	(40.26%)
Benchmark	(17.52%)	7.09%
Outperformance	(36.18%)	(47.35%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/21 - 31/10/22)	Since Commencement (29/9/20 - 31/10/22)
Fund	(53.70%)	(21.84%)
Benchmark	(17.52%)	3.33%
Outperformance	(36.18%)	(25.17%)

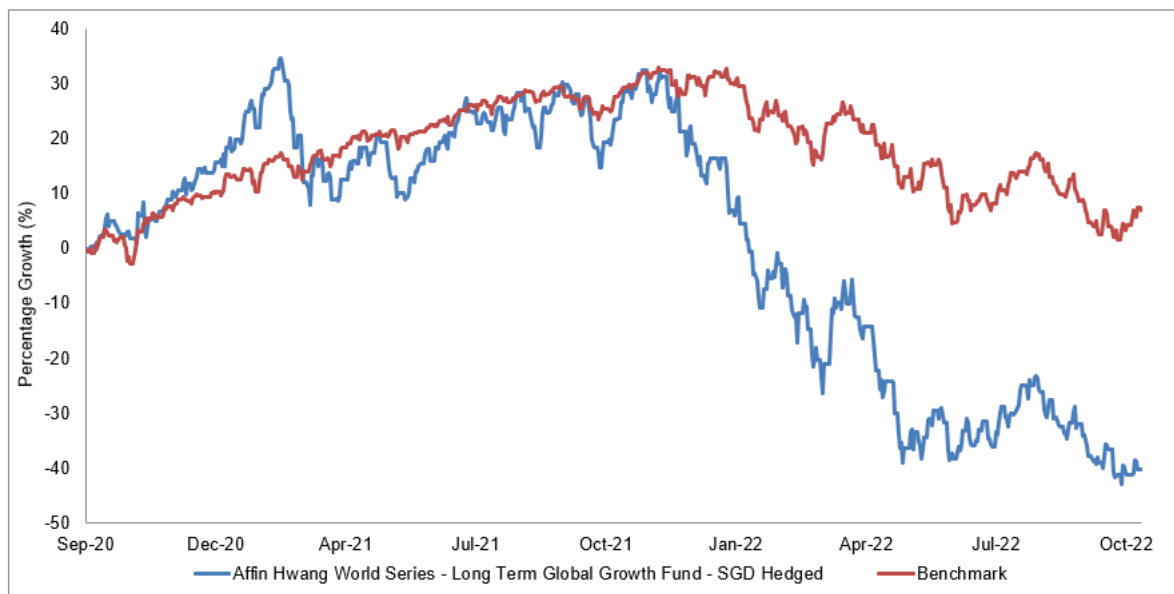
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/11/21 - 31/10/22)	FYE 2021 (29/9/20 - 31/10/21)
Fund	(53.70%)	29.04%
Benchmark	(17.52%)	29.84%
Outperformance	(36.18%)	(0.80%)

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) (AHAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
 Benchmark: MSCI All Country World Index

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

Asset Allocation

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

As at 31 October 2022, the asset allocation of the Fund stood at 98.91% (2021:97.00%) in collective investment scheme while the balance was held in cash and cash equivalent.

Strategy Employed

While the Fund's strategy remains invested in owning high quality businesses; the Fund currently has a tilt towards value stocks and the financials and materials sectors are our largest overweight exposures.

Market Review

Sustained inflationary pressures as well as central bank tightening continues to present a headwind to financial markets. Geopolitical instability also contributes to market concerns as friction between Russia and Ukraine persists, causing supply chain disruptions among investor concerns. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As we enter the last quarter of the year, numerous interest rates hikes have taken place over the year. The US Federal Reserve (Fed) has raised the fed funds rate by three percentage points by October 2022 to address inflationary pressures. All eyes will be on the upcoming Fed's policy meeting on the 1-2 November where a 75 basis points (bps) rate hike is widely baked into market expectations. Investors will be keeping a lookout on the Fed's forward commentary to see if there are any signs of a pivot.

Following a slump in the previous month, US equities recovered some ground in October on optimism that the Fed is considering easing monetary policy. The Standard & Poor (S&P) 500 Index climbed 8.0% higher

as souring consumer confidence and falling home prices raised expectations that the Fed could start to hit the brakes on tightening. However, despite the recent gain, a comparison of the index with a year ago shows a decline of 15.92%. The National Association of Securities Dealers Automated Quotations (Nasdaq) Index similarly closed 3.9% higher than last month as earnings season kicked into high gear. As of October 2022, 226 companies within the S&P 500 have reported results. Out of this figure, 60% of companies delivered an earnings beat. However, the surprise magnitude was only 0.9% which is well below average levels.

The Euro area annual inflation rate was 10.7% year-on-year in October, the energy sector being the largest contributor to the increase. The month also saw the European Commission propose new regulation to cap energy prices and introduce measures such as joint gas purchasing. All sectors in the Eurozone gained in the month, with energy and industrials the largest contributor and the weaker sectors being consumer and consumer staples. The European Central Bank (ECB) raised interest rates by 75 bps and acknowledge that the eurozone may face recession, signalling a sign that the pace of rates rises could soon ease. This increased the appetite for shares.

In Asia, the broader Morgan Stanley Capital International (MSCI) Asia ex-Japan Index fell 6.1% in October, dragged by losses in China. The MSCI China Index plunged by over 16.8% as COVID-19 flare-ups and policy uncertainty post-Congress weigh on risk sentiment. There were few surprises in China's 20th Party Congress which is held once every 5 years. As expected, the Chinese Communist Party elected Xi Jinping as its general secretary (the highest position in the party) for an unprecedented third term, further cementing his leadership. Markets are jittery as President Xi Jinping's further consolidation of power together with his close allies fuelled risk that disruptive past policies like Beijing's tech regulatory crackdown and its strict zero COVID strategy would continue. Share prices in Taiwan were also lower in October due to ongoing geopolitical tensions with China.

Back on the home front, the local market edged 4.7% higher as election fever heats up. After much speculation, the dissolution of Parliament was announced by Prime Minister Datuk Seri Ismail to pave the way for the 15th General Election (GE15). The nomination of candidates is set to be announced on the 5 November and voting taking place on the 19 November.

The current market base-case is that Barisan Nasional could muster a sufficient majority to form a new government. This outcome may be viewed positively as markets believe that it signifies policy continuity, where any new fiscal budget would also be similar to the one tabled before.

As of October 2022, US Treasury (UST) yield curve continue to rise and remain inverted on the back of US Fed aggressive rate hike policy to reduce the high level of inflation. UST yields moved higher on a month-on-month basis across the curve. The long end shifted the less, reflecting expectations on slower growth in the future. UST10Y ended higher at 4.05%, an increase of 22bps from the previous month, amidst elevated level of inflation and tight job market. The UST 2Y/10Y inversion was flat at 44bps (Sep: 45bps), reflecting a higher possibility of a recession.

On the domestic front, after the sell-off in the previous month, Malaysian Government securities (MGS) yields saw a bit of relief in October as yields ended and the longer-tenured yields, 10, 15, 20 and 30 years, fell by around 3 to 10 bps amidst possibility of central banks slowed down their pace of rates hiking.

Headline inflation tapered off to +4.5% in September (August: +4.7%), suggesting the headline inflation has likely peaked. However, the core Consumer Price Index (CPI) figures continued to tick higher at +4.0% in September (August: +3.8%) amidst elevated commodity prices, strong demand and tight labor markets. Expect headline consumer price index (CPI) to hover at current level before moderating in the fourth quarter of the year (assuming subsidies remain unchanged). Due to the elevated inflation level and strong economic growth, Bank Negara Malaysia (BNM) raised rates by 25 bps in the overnight policy rate (OPR) rate to bring it to 2.75% by year end.

The S&P Goldman Sachs Commodities Index (GSCI) recorded a positive performance in October as higher energy prices offsetting weaker prices for agriculture and precious metals. Energy once again, was the best-performing component of the index with higher prices for oil and unleaded gasoline offsetting a fall in natural gas prices. Gold, however, fell 2% in October from rising bond yields and dollar strength. The commodity fell for the seventh consecutive month in October despite a strong start in the month. The slump was mainly attributed to strong monthly gains in equities and flat bond prices.

Investment Outlook

Markets are set to remain challenging as the global economy waddles through several turbulent changes. The effects of Russia's invasion of Ukraine, the highest level of inflation seen in several decades and lingering COVID-19 pandemic effects all contribute heavily to the outlook. As policymakers aim to lower inflation back to a sustainable range, monetary and fiscal policy that provided support during the pandemic has started to normalise. However, without careful calibration of policies, more economies could potentially see a larger degree of slowing growth or outright contraction. The possibility of another pandemic induced supply chain reduction on top of the continuing Russia-Ukraine conflict could affect the global economy's health.

Economists are expecting a weaker growth in 2023 compared to 2022 with the proliferation of slow global growth induced by the effects of rapid rate hikes and inflation to name a few. A slowdown in the Asia Pacific region is mostly anticipated from sluggish global trade next year as the outlook for exports over the first half of the year is projected to be weak.

In the broader Asian market, bilateral relationships between US and China may continue to deteriorate following an order by the US government in early September 2022 preventing chipmakers including Nvidia and Advanced Micro Devices (AMD) from exporting specific advanced chips to China. On a positive note, delisting fears for US listed Chinese stocks have alleviated to some extent on the news of an agreement between both governments over the auditing dispute being reached.

US economic data that was released in the month posted its first positive growth for 2022. The nation's Gross Domestic Product (GDP) increased at a 2.6% annualized pace in the third quarter of 2022, above the Dow Jones forecast of 2.3%. The growth can be mostly attributed to a narrowing trade deficit, which economists consider to be a one-off occurrence.

We expect markets to remain volatile as markets continue to shift between competing narratives of elevated inflation and rising risk of a recession, which will take time to play out. In addition to global rate hikes, sudden fiscal policy intervention as seen in the UK could further increase volatility. Risks to the outlook continue to remain large and for the most part, to the downside. Central banks and policymakers could misjudge the right stance to contain inflation and reign it in for a soft landing. If policy paths in the largest economies continue to diverge, further US dollar appreciation and cross-border tension could be observed.

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 year under review.

Soft Commissions received from Brokers

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

- (i) goods and services provided are of demonstrable benefit to 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 year under review, no soft commission was received by the Management 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 UNITHOLDERS OF AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND (“FUND”)

We have acted as Trustee of the Fund for the financial year ended 31 October 2022 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 Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
19 December 2022

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

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AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

	<u>Note</u>	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
INVESTMENT (LOSS)/INCOME			
Interest income from financial assets at amortised cost		1,104	2,186
Net gain on foreign currency exchange		15,794	7,125
Net loss on forward foreign currency contracts at fair value through profit or loss	10	(6,980,940)	(685,102)
Net (loss)/gain on financial assets at fair value through profit or loss	8	(59,180,743)	14,086,602
		<u>(66,144,785)</u>	<u>13,410,811</u>
EXPENSES			
Management fee	4	(1,375,233)	(1,659,017)
Trustee fee	5	(44,628)	(53,915)
Fund accounting fee	6	(3,223)	(3,338)
Auditors' remuneration		(1,849)	(1,941)
Tax agent's fee		(809)	(849)
Other expenses		(5,585)	(7,332)
		<u>(1,431,327)</u>	<u>(1,726,392)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(67,576,112)	11,684,419
Taxation	7	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(67,576,112)</u>	<u>11,684,419</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

	<u>Note</u>	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
(Decrease)/Increase in net assets attributable to unitholders comprise the following:			
Realised amount		(7,458,564)	(1,583,478)
Unrealised amount		(60,117,548)	13,267,897
		<u>(67,576,112)</u>	<u>11,684,419</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 – LONG TERM GLOBAL GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
ASSETS			
Cash and cash equivalents	9	2,999,737	1,796,471
Amount due from Manager			
- creation of units		-	42,061
- management fee rebate receivable		26,285	58,734
Amount due from broker		-	4,054,741
Financial assets at fair value through profit or loss	8	49,194,654	113,409,685
Forward foreign currency contracts at fair value through profit or loss	10	639	1,231,306
TOTAL ASSETS		<u>52,221,315</u>	<u>120,592,998</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	2,338,738	38,522
Amount due to Manager			
- management fee		79,627	178,749
- cancellation of units		60,602	3,449,738
Amount due to Trustee		2,582	5,797
Auditors' remuneration		1,693	1,933
Tax agent's fee		741	846
Other payables and accruals		254	18
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>2,484,237</u>	<u>3,675,603</u>
NET ASSET VALUE OF THE FUND		<u>49,737,078</u>	<u>116,917,395</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>49,737,078</u>	<u>116,917,395</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022 (CONTINUED)

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		1,421,133	3,651,673
- MYR Hedged-class		36,922,779	87,006,928
- SGD Hedged-class		3,307,193	8,501,964
- USD Class		8,085,973	17,756,830
		<u>49,737,078</u>	<u>116,917,395</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	11(a)	7,456,000	7,366,000
- MYR Hedged-class	11(b)	563,498,000	548,808,000
- SGD Hedged-class	11(c)	15,664,000	17,724,000
- USD Class	11(d)	26,236,000	27,141,000
		<u>612,854,000</u>	<u>601,039,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.1906	0.4957
- MYR Hedged-class		0.0655	0.1585
- SGD Hedged-class		0.2111	0.4797
- USD Class		0.3082	0.6542
		<u>0.1906</u>	<u>0.4957</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.2977	AUD0.6577
- MYR Hedged-class		RM0.3097	RM0.6562
- SGD Hedged-class		SGD0.2987	SGD0.6452
- USD Class		USD0.3082	USD0.6542
		<u>AUD0.2977</u>	<u>AUD0.6577</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 – LONG TERM GLOBAL GROWTH FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/DATE OF LAUNCH	116,917,395	-
Movement due to units created and cancelled during the financial year/period		
Creation of units arising from applications	13,397,370	134,824,518
- AUD Hedged-class	641,250	4,417,826
- MYR Hedged-class	10,469,264	94,887,395
- SGD Hedged-class	660,628	10,376,222
- USD Class	1,626,228	25,143,075
Cancellation of units	(13,001,575)	(29,591,542)
- AUD Hedged-class	(479,795)	(1,142,265)
- MYR Hedged-class	(8,870,683)	(15,713,400)
- SGD Hedged-class	(1,610,698)	(2,670,215)
- USD Class	(2,040,399)	(10,065,662)
(Decrease)/Increase in net assets attributable to unitholders during the financial year/period	(67,576,112)	11,684,419
- AUD Hedged-class	(2,391,995)	376,112
- MYR Hedged-class	(51,682,730)	7,832,933
- SGD Hedged-class	(4,244,701)	795,957
- USD Class	(9,256,686)	2,679,417
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u>49,737,078</u>	<u>116,917,395</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 – LONG TERM GLOBAL GROWTH FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

	<u>Note</u>	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		16,537,191	11,727,248
Purchase of investments		(7,900,000)	(115,644,000)
Interest received		1,104	2,186
Management fee rebate received		484,287	480,194
Management fee paid		(1,474,355)	(1,480,268)
Trustee fee paid		(47,843)	(48,118)
Fund accounting fee paid		(3,223)	(3,338)
Payment for other fees and expenses		(8,352)	(7,325)
Net realised loss on forward foreign currency contracts		(3,450,057)	(1,877,886)
Net realised gain on foreign exchange		18,726	36,989
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		4,157,478	(106,814,318)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		13,439,431	134,782,457
Payments for cancellation of units		(16,390,711)	(26,141,804)
		<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities		(2,951,280)	108,640,653
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,206,198	1,826,335
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(2,932)	(29,864)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/DATE OF LAUNCH		1,796,471	-
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	9	2,999,737	1,796,471
		<hr/> <hr/>	<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 – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

B INCOME RECOGNITION

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 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 investments, determined on a weighted average cost basis.

C TAXATION

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

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

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 – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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 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, amount due from broker and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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

(ii) Recognition and measurement

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

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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 transactions are presented in the statement of comprehensive income within 'net (loss)/gain on financial assets at fair value through profit or loss' in the financial year/period which they arise.

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

Financial assets at amortised cost and other financial liabilities except for 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 – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Qualitative criteria:

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

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

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

Write-off

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

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

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and 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 – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

I CREATION AND CANCELLATION OF UNITS

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as financial liabilities 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 unitholders' 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 unitholders' 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 unit holders 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 negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts are 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 – LONG TERM GLOBAL GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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 – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series – Long Term Global Growth Fund (the “Fund”) pursuant to the execution of a Deed dated 25 August 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 29 September 2020 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

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

- (a) Collective investment 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 Unlisted Capital Market Products under the Lodge and Launch Framework, the Deed and the objective of the Fund.

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. 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 15 December 2022.

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	2,999,737	-	2,999,737
Amount due from Manager				
- management fee rebate receivable		26,285	-	26,285
Collective investment scheme	8	-	49,194,654	49,194,654
Forward foreign currency contracts	10	-	639	639
Total		<u>3,026,022</u>	<u>49,195,293</u>	<u>52,221,315</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	2,338,738	2,338,738
Amount due to Manager				
- management fee		79,627	-	79,627
- cancellation of units		60,602	-	60,602
Amount due to Trustee		2,582	-	2,582
Auditors' remuneration		1,693	-	1,693
Tax agent's fee		741	-	741
Other payables and accruals		254	-	254
Total		<u>145,499</u>	<u>2,338,738</u>	<u>2,484,237</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	1,796,471	-	1,796,471
Amount due from broker		4,054,741	-	4,054,741
Amount due from Manager				
- creation of units		42,061	-	42,061
- management fee rebate receivable		58,734	-	58,734
Collective investment scheme	8	-	113,409,685	113,409,685
Forward foreign currency contracts	10	-	1,231,306	1,231,306
Total		<u>5,952,007</u>	<u>114,640,991</u>	<u>120,592,998</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	38,522	38,522
Amount due to Manager				
- management fee		178,749	-	178,749
- cancellation of units		3,449,738	-	3,449,738
Amount due to Trustee		5,797	-	5,797
Auditors' remuneration		1,933	-	1,933
Tax agent's fee		846	-	846
Other payables and accruals		18	-	18
Total		<u>3,637,081</u>	<u>38,522</u>	<u>3,675,603</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.

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

Market risk

(a) Price risk

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

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

	<u>2022</u> USD	<u>2021</u> USD
Quoted investment		
Collective investment scheme	49,194,654	113,409,685

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

<u>% Change in price</u>	<u>Market value</u> USD	Impact on (loss)/profit after <u>tax/NAV</u> USD
<u>2022</u>		
-4%	47,226,868	(1,967,786)
0%	49,194,654	-
+4%	51,162,440	1,967,786
<u>2021</u>		
-10%	102,068,717	(11,340,969)
0%	113,409,685	-
+10%	124,750,654	11,340,969

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

Market risk (continued)

(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.

The Fund's exposure to the interest rate risk is mainly confined to short-term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the carrying value of the deposits are held on a short-term basis.

(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>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Total</u> USD
<u>2022</u>			
<u>Financial assets</u>			
Australian Dollar	-	2,219	2,219
Malaysian Ringgit	-	17,545	17,545
Singapore Dollar	639	16,481	17,120
	<u>639</u>	<u>36,245</u>	<u>36,884</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk

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

	<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>2022</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	108,657	-	1,421,133	1,529,790
Malaysian Ringgit	2,152,452	63,290	36,922,779	39,138,521
Singapore Dollar	77,629	-	3,307,193	3,384,822
	<u>2,338,738</u>	<u>63,290</u>	<u>41,651,105</u>	<u>44,053,133</u>
	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	83,919	40,544	-	124,463
Malaysian Ringgit	1,099,280	5,259	7,489	1,112,028
Singapore Dollar	48,107	48,741	19,061	115,909
	<u>1,231,306</u>	<u>94,544</u>	<u>26,550</u>	<u>1,352,400</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	-	233,523	3,651,673	3,885,196
Malaysian Ringgit	34,470	3,158,013	87,006,928	90,199,411
Singapore Dollar	4,052	7,717	8,501,964	8,513,733
	<u>38,522</u>	<u>3,399,253</u>	<u>99,160,565</u>	<u>102,598,340</u>

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

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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)/profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables remain 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.

	Change in price %	Impact on (loss)/profit after tax/NAV USD
<u>2022</u>		
Australian Dollar	+/-12.29	-/+ 187,738
Malaysian Ringgit	+/-3.32	-/+ 1,298,816
Singapore Dollar	+/-4.83	-/+ 162,660
<u>2021</u>		
Australian Dollar	+/-9.17	-/+376,073
Malaysian Ringgit	+/-3.85	-/+8,908,738
Singapore Dollar	+/-4.06	-/+839,782

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.

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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 – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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>Forward foreign currency contracts</u> USD	<u>Other assets*</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial Services				
- AAA	2,999,737	639	-	3,000,376
Others				
- NR	-	-	26,285	26,285
	<u>2,999,737</u>	<u>639</u>	<u>26,285</u>	<u>3,026,661</u>
<u>2021</u>				
Financial Services				
- AAA	1,796,471	471,375	-	2,267,846
- AA2	-	289,128	-	289,128
- AA3	-	411,891	-	411,891
- NR	-	58,912	-	58,912
Others				
- NR	-	-	4,155,536	4,155,536
	<u>1,796,471</u>	<u>1,231,306</u>	<u>4,155,536</u>	<u>7,183,313</u>

* Other assets consist of amount due from broker and amount due from Manager.

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

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 cash, deposits with licensed financial institutions 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.

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>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	407,839	1,930,899	2,338,738
Amount due to Manager			
- management fee	79,627	-	79,627
- cancellation of units	60,602	-	60,602
Amount due to Trustee	2,582	-	2,582
Auditors' remuneration	-	1,693	1,693
Tax agent's fee	-	741	741
Other payables and accruals	-	254	254
Net assets attributable to unitholders*	49,737,078	-	49,737,078
	<u>50,287,728</u>	<u>1,933,587</u>	<u>52,221,315</u>
<u>2021</u>			
Forward foreign currency contracts at fair value through profit or loss	12,949	25,573	38,522
Amount due to Manager			
- management fee	178,749	-	178,749
- cancellation of units	3,449,738	-	3,449,738
Amount due to Trustee	5,797	-	5,797
Auditors' remuneration	-	1,933	1,933
Tax agent's fee	-	846	846
Other payables and accruals	-	18	18
Net assets attributable to unitholders*	116,917,395	-	116,917,395
	<u>120,564,628</u>	<u>28,370</u>	<u>120,592,998</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

Liquidity risk (continued)

*Units are cancelled on demand at the unitholders' 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.

Capital risk

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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.

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	49,194,654	-	-	49,194,654
- forward foreign currency contracts	-	639	-	639
	<u>49,194,654</u>	<u>639</u>	<u>-</u>	<u>49,195,293</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	2,338,738	-	2,338,738

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	113,409,685	-	-	113,409,685
- forward foreign currency contracts	-	1,231,306	-	1,231,306
	<u>113,409,685</u>	<u>1,231,306</u>	<u>-</u>	<u>114,640,991</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	38,522	-	38,522
	<u>-</u>	<u>38,522</u>	<u>-</u>	<u>38,522</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 broker and 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 – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

4 MANAGEMENT FEE

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

For the financial year ended 31 October 2022, the management fee is recognised at a rate of 1.85% (7 September 2020 (date of launch) to 31 October 2021: 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 31 October 2022, the Trustee fee is recognised at a rate of 0.06% (7 September 2020 (date of launch) to 31 October 2021: 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.

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM14,000 (equivalent to: USD3,223) (7 September 2020 (date of launch) to 31 October 2021: RM14,000 (equivalent to: USD3,338)) per annum.

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

7 TAXATION

	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
Current taxation	-	-

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

	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
Net profit before taxation	(67,576,112)	11,684,419
Tax at Malaysian statutory rate of 24% (2021: 24%)	(16,218,267)	2,804,261
Tax effects of:		
Investment loss not brought to tax/ (investment income not subject to tax)	15,874,748	(3,218,595)
Expenses not deductible for tax purposes	12,961	14,839
Restriction on tax deductible expenses for Wholesale Funds	330,558	399,495
Tax expense	-	-

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme - foreign	49,194,654	113,409,685
	<u>49,194,654</u>	<u>113,409,685</u>
	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(3,048,849)	1,442,697
- unrealised (loss)/gain on changes in fair value	(56,583,732)	12,104,977
- management fee rebate on collective investment scheme #	451,838	538,928
	<u>(59,180,743)</u>	<u>14,086,602</u>

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its net asset value. In order to prevent the double charging of management fee, 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 net asset value of the collective investment scheme.

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Collective investment scheme - foreign

(i) Collective investment scheme - foreign as at 31 October 2022 are as follows:

	<u>Quantity</u> USD	Aggregate <u>cost</u> USD	Fair <u>value</u> %	Percentage <u>of NAV</u>
Baillie Gifford Worldwide Long Term Global Growth Fund	2,380,486	93,673,409	49,194,654	98.91
	<u>2,380,486</u>	<u>93,673,409</u>	<u>49,194,654</u>	<u>98.91</u>
Total collective investment scheme - foreign	<u>2,380,486</u>	<u>93,673,409</u>	<u>49,194,654</u>	<u>98.91</u>
Accumulated unrealised loss on collective investment scheme - foreign		<u>(44,478,755)</u>		
Total collective investment scheme - foreign		<u>49,194,654</u>		

(ii) Collective investment scheme – foreign as at 31 October 2021 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Baillie Gifford Worldwide Long Term Global Growth Fund	2,570,447	101,304,708	113,409,685	97.00
	<u>2,570,447</u>	<u>101,304,708</u>	<u>113,409,685</u>	<u>97.00</u>
Total collective investment scheme - foreign	<u>2,570,447</u>	<u>101,304,708</u>	<u>113,409,685</u>	<u>97.00</u>
Accumulated unrealised gain on collective investment scheme - foreign		<u>12,104,977</u>		
Total collective investment scheme - foreign		<u>113,409,685</u>		

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 31 October 2022 is as follows:

	Percentage of Target Fund's NAV %
Tesla Inc	6.4
Amazon.com	6.1
Dexcom	5.1
Moderna	4.8
Illumina	4.6
ASML	4.6
NVIDIA	4.3
Kering	4.1
Meituan	3.6
Atlassian	3.6
	<hr/>
Total	47.2
	<hr/> <hr/>

(ii) The Target Fund's top 10 holdings as at 31 October 2021 is as follows:

	Percentage of Target Fund's NAV %
Tesla Inc	6.30
Amazon.com	5.20
Moderna	5.20
NVIDIA	5.00
Meituan	4.40
ASML	4.40
Illumina	4.10
Netflix	4.00
Dexcom	3.90
Cloudflare	3.70
	<hr/>
Total	46.20
	<hr/> <hr/>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2022</u> USD	<u>2021</u> USD
Cash and bank balances	2,999,737	1,361,521
Deposit with a licensed financial institution	-	434,950
	<u>2,999,737</u>	<u>1,796,471</u>

The weighted average effective interest rates per annum of deposit with a licensed financial institution is as follows:

	<u>2022</u> %	<u>2021</u> %
Deposit with a licensed financial institution	-	1.75

Deposit with a licensed financial institution has an average maturity of Nil day (2021: 1 day).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 34 (2021: 68) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD44,524,984 (2021: USD98,812,620). The forward foreign currency contracts entered into during the financial year/period were for hedging against the currency exposure arising from the different hedged-class denominated in Australian Dollar, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2022</u>	<u>2021</u>
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	<u>639</u>	<u>1,231,306</u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>2,338,738</u>	<u>38,522</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

	Financial year ended <u>31.10.2022</u> USD	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> USD
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(3,450,057)	(1,877,886)
- unrealised (loss)/gain on changes in fair value	(3,530,883)	1,192,784
	<u>(6,980,940)</u>	<u>(685,102)</u>

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 31 October 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 #	3,825,614	4,006,867	(181,253)	(0.36)
BNP Paribas Malaysia Bhd	19,490,288	20,496,368	(1,006,080)	(2.02)
CIMB Bank Bhd	5,390,873	5,668,219	(277,346)	(0.56)
Hong Leong Bank Bhd	2,241,770	2,343,657	(101,887)	(0.20)
JP Morgan Chase Bank Bhd	4,751,939	5,055,827	(303,888)	(0.61)
Maybank Bhd	7,099,205	7,463,538	(364,333)	(0.73)
Standard Chartered Bank K.L.	1,584,252	1,688,203	(103,951)	(0.21)
United Overseas Bank (Malaysia) Bhd	141,044	140,405	639	-
Total forward foreign currency contracts	<u>44,524,984</u>	<u>46,863,083</u>	<u>(2,338,099)</u>	<u>(4.69)</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(ii) Forward foreign currency contracts as at 31 October 2021 is as follows:

	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd #	20,740,818	20,329,133	411,684	0.35
BNP Paribas Malaysia Bhd	21,931,484	21,649,325	282,159	0.24
CIMB Bank Bhd	24,268,364	23,983,209	285,155	0.24
Hong Leong Bank Bhd	3,455,767	3,413,966	41,801	0.04
JP Morgan Chase Bank Bhd	5,871,596	5,812,684	58,912	0.05
Maybank Bhd	4,708,239	4,654,945	53,295	0.05
Standard Chartered Bank K.L.	17,836,352	17,776,574	59,778	0.05
Total forward foreign currency contracts	<u>98,812,620</u>	<u>97,619,836</u>	<u>1,192,784</u>	<u>1.02</u>

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

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year/date of launch	7,366,000	-
Creation of units arising from applications	1,511,000	9,754,000
Cancellation of units	(1,421,000)	(2,388,000)
At the end of the financial year/period	<u>7,456,000</u>	<u>7,366,000</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) MYR Hedged-class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	548,808,000	-
Creation of units arising from applications	84,202,000	651,826,000
Cancellation of units	(69,512,000)	(103,018,000)
At the end of the financial year/period	<u>563,498,000</u>	<u>548,808,000</u>

(c) SGD Hedged-class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	17,724,000	-
Creation of units arising from applications	1,707,000	23,628,000
Cancellation of units	(3,767,000)	(5,904,000)
At the end of the financial year/period	<u>15,664,000</u>	<u>17,724,000</u>

(d) USD class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	27,141,000	-
Creation of units arising from applications	2,923,000	43,445,000
Cancellation of units	(3,828,000)	(16,304,000)
At the end of the financial year/period	<u>26,236,000</u>	<u>27,141,000</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

12 TRANSACTIONS WITH BROKER

- (i) Details of transactions with the broker for the financial year ended 31 October 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of total <u>trade</u> %
Brown Brothers Harriman (Hong Kong) Ltd	<u>20,382,450</u>	<u>100.00</u>

- (ii) Details of transactions with the broker for the financial period from 7 September 2020 (date of launch) to 31 October 2021 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of total <u>trade</u> %
Brown Brothers Harriman (Hong Kong) Ltd	<u>131,425,989</u>	<u>100.00</u>

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (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 Capital Partners Investment Asia L.P. and CVC Capital Partners Asia V Associates L.P. (collectively known as “CVC Asia V”)	Ultimate holding companies of the Manager
CVC Capital Partners Asia V Limited	General Partner of the ultimate holding companies
Lembaga Tabung Angkatan Tentera (“LTAT”)	Former ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former 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
Nikko Asset Management International Limited (“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 companies 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 – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

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

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

	<u>2022</u>		<u>2021</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	10,732	2,046	10,245	5,078
- MYR Hedged-class	3,280	215	3,501	555
- SGD Hedged-class	10,863	2,293	10,535	5,054
- USD Class	10,432	3,215	10,043	6,570

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 year ended <u>31.10.2022</u> %	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u> %
TER	1.93	2.22

TER is derived from the following calculation:

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

A	=	Management fee
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/period calculated on a daily basis is USD74,375,346 (financial period from 7 September 2020 (date of launch) to 31 October 2021: USD78,088,564).

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial year ended <u>31.10.2022</u>	Financial period from 7.9.2020 (date of launch) to <u>31.10.2021</u>
PTR (times)	0.16	0.83

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = USD7,900,000 (2021: USD115,644,000)
total disposal for the financial year/period = USD15,531,299 (2021: USD14,339,292)

16 SIGNIFICANT EVENT 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 Berhad (formerly known as Affin Hwang Asset Management Berhad) has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL 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 39 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 31 October 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 October 2022 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
19 December 2022

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series – Long Term Global Growth Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 October 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 39.

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 – LONG TERM GLOBAL 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 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 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 – LONG TERM GLOBAL 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 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 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 – LONG TERM GLOBAL 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
19 December 2022**

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AHAM Asset Management Berhad

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