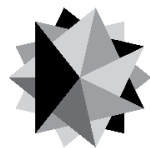


# Affin Hwang World Series - Dividend Value Fund

Quarterly Report  
31 December 2020

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



AFFIN HWANG  
CAPITAL

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

TRUSTEE  
Deutsche Trustees Malaysia Berhad (763590-H)

# AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

## Quarterly Report and Financial Statements As at 31 December 2020

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## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	Affin Hwang World Series – Dividend Value Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long-term period
Benchmark	Dow Jones Asia Select Dividend 30 Index
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a quarterly basis, after the end of its first financial year

### FUND PERFORMANCE DATA

#### USD Class

Category	As at 31 Dec 2020	As at 30 Sep 2020
Total NAV (USD'million)	5.156	5.999
NAV per Unit (USD)	0.5660	0.4828
Unit in Circulation (million)	9.109	12.426

#### AUD Class

Category	As at 31 Dec 2020	As at 30 Sep 2020
Total NAV (AUD'million)	10.313	10.688
NAV per Unit (AUD)	0.5604	0.5174
Unit in Circulation (million)	18.403	20.655

#### MYR Class

Category	As at 31 Dec 2020	As at 30 Sep 2020
Total NAV (RM'million)	35.218	43.817
NAV per Unit (MYR)	0.5946	0.5244
Unit in Circulation (million)	59.232	83.553

#### SGD Class

Category	As at 31 Dec 2020	As at 30 Sep 2020
Total NAV (SGD'million)	5.990	5.999
NAV per Unit (SGD)	0.5457	0.4823
Unit in Circulation (million)	10.976	12.426

## Fund Performance

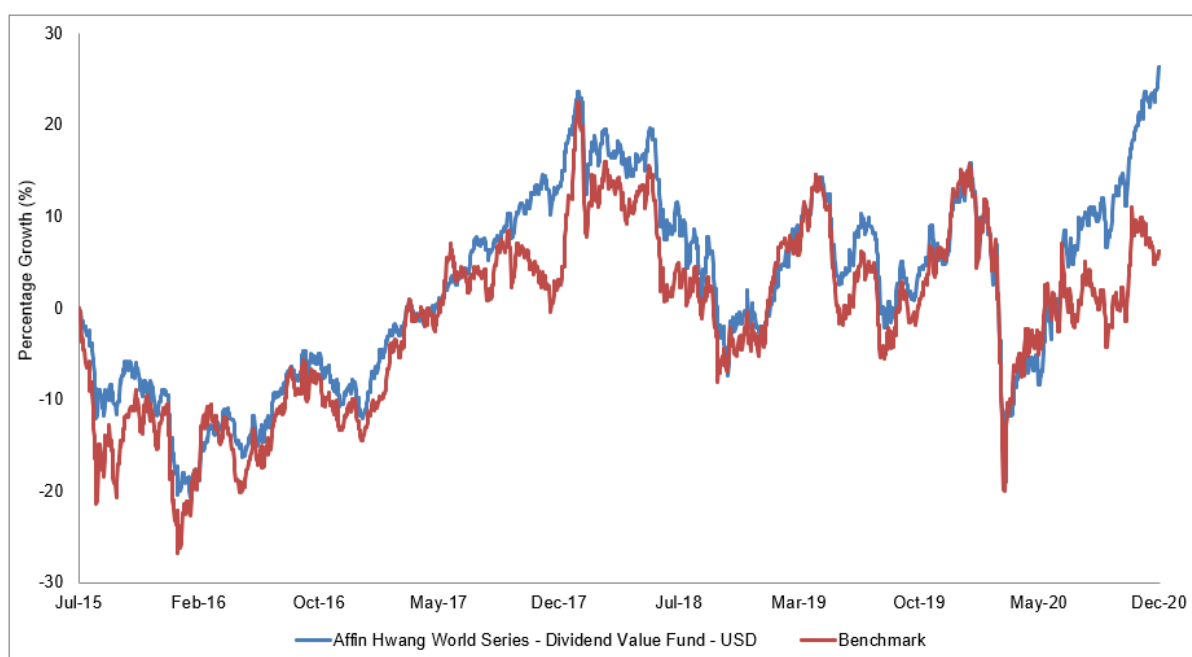
Performance as at 31 December 2020

### USD Class

	3 Months (1/10/20 - 31/12/20)	6 Months (1/7/20 - 31/12/20)	1 Year (1/1/20 - 31/12/20)	3 Years (1/1/18 - 31/12/20)	5 Years (1/1/16 - 31/12/20)	Since Commencement (23/7/15 - 31/12/20)
<b>Fund</b>	<b>17.23%</b>	<b>27.35%</b>	<b>12.03%</b>	<b>9.82%</b>	<b>39.53%</b>	<b>26.33%</b>
<b>Benchmark</b>	<b>8.26%</b>	<b>9.10%</b>	<b>(6.54%)</b>	<b>1.59%</b>	<b>18.78%</b>	<b>6.25%</b>
<b>Outperformance</b>	<b>8.97%</b>	<b>18.25%</b>	<b>18.57%</b>	<b>8.23%</b>	<b>20.75%</b>	<b>20.08%</b>

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



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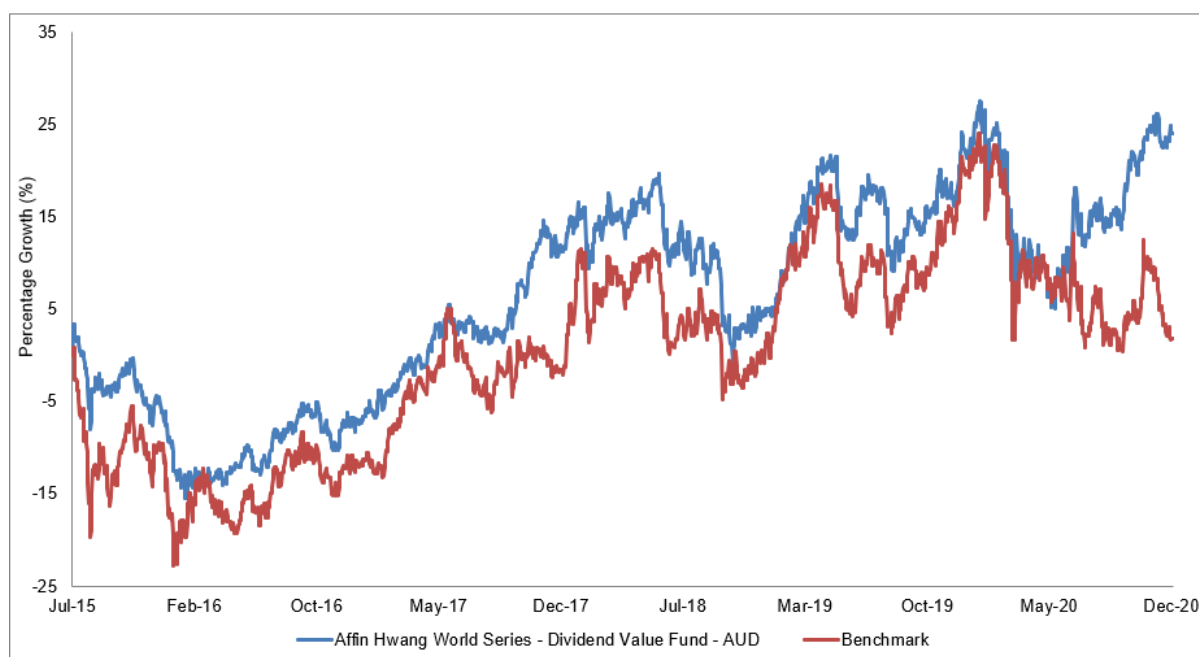
*Benchmark: Dow Jones Asia Select Dividend 30 Index*

## AUD Class

	3 Months (1/10/20 - 31/12/20)	6 Months (1/7/20 - 31/12/20)	1 Year (1/1/20 - 31/12/20)	3 Years (1/1/18 - 31/12/20)	5 Years (1/1/16 - 31/12/20)	Since Commencement (23/7/15 - 31/12/20)
<b>Fund</b>	8.31%	13.13%	1.94%	11.22%	32.30%	24.07%
<b>Benchmark</b>	0.91%	(2.30%)	(14.67%)	3.15%	12.55%	1.80%
<b>Outperformance</b>	7.40%	15.43%	16.61%	8.07%	19.75%	22.27%

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



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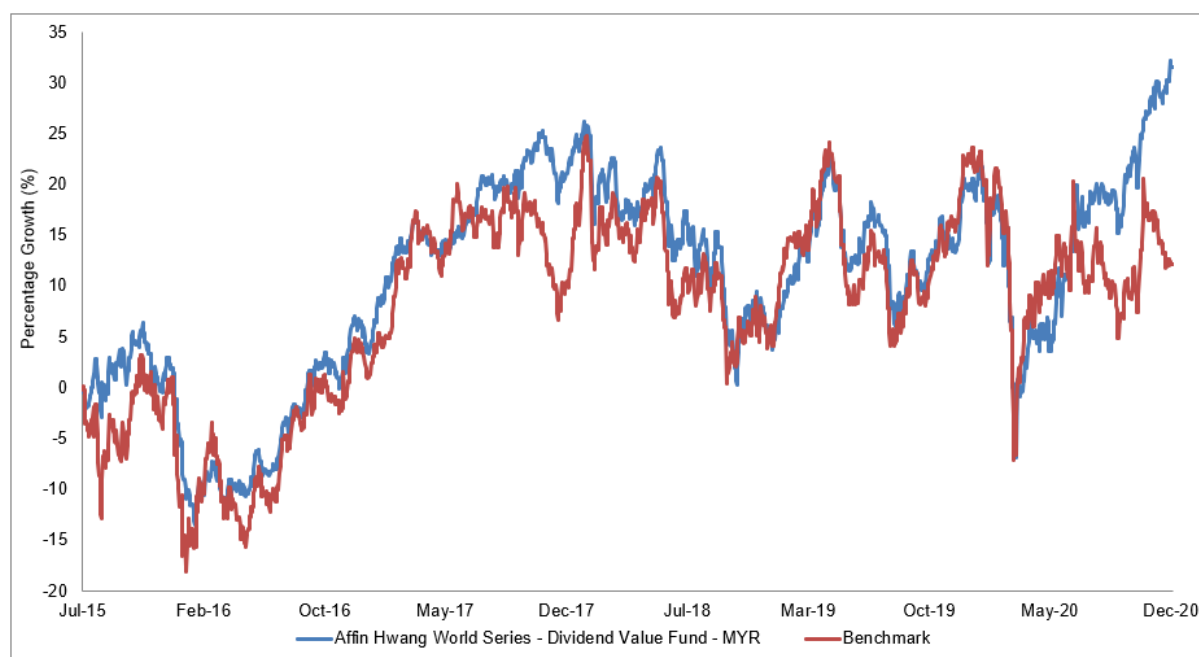
Benchmark: Dow Jones Asia Select Dividend 30 Index

## MYR Class

	3 Months (1/10/20 - 31/12/20)	6 Months (1/7/20 - 31/12/20)	1 Year (1/1/20 - 31/12/20)	3 Years (1/1/18 - 31/12/20)	5 Years (1/1/16 - 31/12/20)	Since Commencement (23/7/15 - 31/12/20)
<b>Fund</b>	<b>13.39%</b>	<b>19.45%</b>	<b>10.09%</b>	<b>7.87%</b>	<b>29.12%</b>	<b>31.57%</b>
<b>Benchmark</b>	<b>4.76%</b>	<b>2.38%</b>	<b>(8.13%)</b>	<b>0.57%</b>	<b>10.95%</b>	<b>12.15%</b>
<b>Outperformance</b>	<b>8.63%</b>	<b>17.07%</b>	<b>18.22%</b>	<b>7.30%</b>	<b>18.17%</b>	<b>19.42%</b>

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



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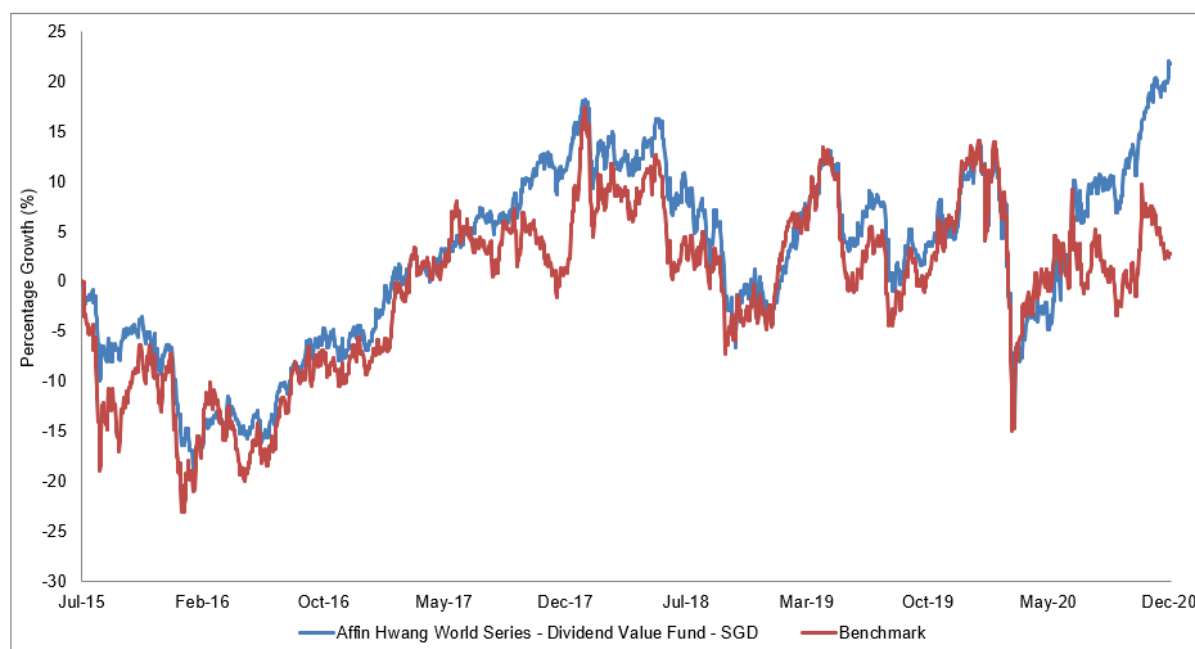
Benchmark: Dow Jones Asia Select Dividend 30 Index

## SGD Class

	3 Months (1/10/20 - 31/12/20)	6 Months (1/7/20 - 31/12/20)	1 Year (1/1/20 - 31/12/20)	3 Years (1/1/18 - 31/12/20)	5 Years (1/1/16 - 31/12/20)	Since Commencement (23/7/15 - 31/12/20)
<b>Fund</b>	<b>13.15%</b>	<b>20.51%</b>	<b>10.12%</b>	<b>8.57%</b>	<b>30.42%</b>	<b>21.81%</b>
<b>Benchmark</b>	<b>4.81%</b>	<b>3.41%</b>	<b>(8.15%)</b>	<b>0.43%</b>	<b>10.75%</b>	<b>2.75%</b>
<b>Outperformance</b>	<b>8.34%</b>	<b>17.10%</b>	<b>18.27%</b>	<b>8.14%</b>	<b>19.67%</b>	<b>19.06%</b>

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



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Benchmark: Dow Jones Asia Select Dividend 30 Index

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

## Asset Allocation

Fund's asset mix during the period under review:

	<b>31 December 2020</b>
	<b>(%)</b>
Unit Trust	94.71
Cash & money market	5.29
<b>Total</b>	<b>100.00</b>

## **Strategies Employed**

The Fund remains invested with 70% of its NAV into the Target Fund and a maximum of 30% of its NAV into money market instruments, fixed deposits and/or liquid assets. Invested level was at around 95% as at end December 2020.

## **Market Review**

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The World Health Organization declared a global health emergency as soon as the coronavirus outbreak has claimed the lives of at least 300 people with rates of infection rapidly increasing. The global equities trended lower as risk assets continue to reel from the impact of the Covid-19 outbreak which sent chills to investors. The rapid spread of the infection outside of China with new cases springing in Italy, South Korea and Iran led to a rush towards safe haven assets with US Treasury yields dipping to record lows.

Coming into March, the global markets faced a washout, as few asset classes were spared from the selloff due to the pandemic fears as infection rates continue to escalate rapidly. The MSCI Asia ex-Japan index closed 12.2% lower in the month. In the US, the S&P 500 index closed 12.5% lower that month. To stem the fallout from the coronavirus, major economies led by the US has introduced an unprecedented relief package to cushion its economy. The relief package comes as the US also reports the greatest number of Covid-19 cases, making it the country with the largest outbreak in the world surpassing that of Italy and China.

However, global equities staged a rebound in April as markets looked past recent softness in economic data and were instead buoyed by stimulus optimism as well as encouraging developments on the COVID-19 front. The rally was fuelled by a volley of stimulus measures rolled out by major central banks including an expansion package by the US Federal Reserve and the European Union (EU). The S&P 500 index advanced since: By December, the S&P 500 index closed 14.3% on a year-to-date basis. In Asia, the broader MSCI Asia ex Japan index registered a higher gain of 20.4% in the same period, being the first to come out of the pandemic.

The US unveiled its Main Street Lending Program which is designed to provide support and ensure credit flow into SMEs that were in "good financial standing". Similarly, the EU proposed a European Stability Mechanism ("ESM") which offers a credit line of up to 240 billion Euros to EU members.

Tensions between the two global powerhouses rose recently after China ordered the US to close its Chengdu-based consulate. The order followed the US closure of the Chinese consulate in Houston. On the other hand, remarks by US President Donald Trump that he will move to ban Chinese-owned video app TikTok in the US also added fuel to this fire.

On commodities, crude oil prices slid by about 40% as at end of October, after oil prices rebounded in June following a move by Organization of the Petroleum Exporting Countries ("OPEC") and its oil-producing allies to extend the group's historic production cut. However, by December global commodities market ended on a strong note, with oil prices back to levels above US\$50 per barrel, and other commodities such as Dalian iron ore futures and silver gaining 50% in 2020.

On the domestic front, the country plunged into political turmoil which ultimately culminated in the appointment of Tan Sri Muhyiddin Yassin as the eighth Prime Minister, from the Perikatan Nasional coalition (UMNO, PAS, Bersatu and a splinter faction of PKR). The appointment was announced by Istana Negara amidst shifting political allegiances and frantic horse-trading across the ruling and opposition coalitions.

Malaysia's economy posted a smaller contraction of 2.7 per cent in the third quarter (3Q) of 2020, surpassing consensus estimate of -4.6 per cent, as well as the Gross Domestic Product (GDP) contraction of 17.1 per cent in 2Q, supported by improvements in all sectors.

Prime Minister Tan Sri Muhyiddin Yassin unveiled a RM250 billion economic stimulus package to soften the economic blow due to the impact of Covid-19 with businesses shuttered due to the movement control order (MCO). Called the Pakej Rangsangan Ekonomi Prihatin Rakyat or Prihatin, the package comprises RM128 billion to protect the welfare of the people, RM100 billion to protect the welfare of small and medium enterprises ("SMEs") and RM2 billion to strengthen the country's economy according to The Edge. This was on top of the RM20 billion stimulus that was earlier announced on 27 February.

Whilst RM250 billion seems like a massive amount on the surface, the actual fiscal spending outlay amounts to 10.0% or RM25billion. The rest of the relief package comes in the form of loan guarantees, moratorium in loan repayments, EPF withdrawals, among others. In April, Prime Minister had announced an additional RM10billion package to help SMEs cope during the pandemic.

Malaysia Budget 2021 was announced in November, with an allocated RM 322.5 billion expenditure, with 26.5% of it coming from borrowings and use of government assets. 5.3% of this budget has been devoted to the Covid-19 fund. The KLCI ended 2020 with a 2.4% gain, buoyed by the liquidity-driven rally that was seen throughout the year.

The Malaysia bond market saw foreign holdings increase by RM 3.6 billion in December, bringing foreign share holdings of outstanding bonds to 13.9%, its highest since January 2020. In total, 2020 saw an RM 18.30 billion net foreign inflow due to attractive yield valuations and dollar weakness. Yields ended lower in December compared to the month before, mostly on the longer end of the yield curve. The 3-year and 10-year MGS settling 3 bps and 9bps lower respectively, to the month before.

### **Investment Outlook**

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return following the low death rates despite the rise in infections. With most markets recovering the year's losses by December coincided with the release of Phase III clinical trial data for the vaccines, there is certainly light at the end of the tunnel for global markets.

Markets will be playing a "recovery theme" into 2021. General market consensus suggests global GDP is down 5% in 2020, with an expected rebound of 5.4% in 2021 with the reopening of economies and growth returns. As vaccine rollout begins, we can expect macroeconomic conditions to improve, but normalization will take time.

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe's continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe's exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

A Biden presidency sets the precedence for a steadier hand at the helm, and for US-China trade tensions to remain. Market volatility will remain in the year going forward as normalization returns, though it is unlikely this will stem from overtly reckless or deliberate foreign policy making as seen in the past four years.

In Malaysia, recent alarming increase in Covid-19 cases caused targeted lockdowns across the country, potentially delaying economic recovery although remaining positive on a full rebound by 2021. From a bottom-up perspective, markets are still focused on more export-oriented industries i.e. electromotive force and technology stocks. Gloves valuations and market momentum have since come down. Politics pose as minor distraction seeing how the peak of political risk has passed after Sabah election results were released. However, the risk to policy continuity caused by uncertainty of a majority win could lead to potential loss on FDI opportunities to other emerging market countries.

Despite the year and outflows during the first quarter, fund flows into global equities have returned, and a shift particularly towards ESG funds. In Europe, there was a €1.1 trillion inflow to ESG funds, doubled that of the year before. Buoyed by a "Goldilocks" environment with a favourable US election outcome, low interest rates and positive developments on the vaccine front, we could see additional support for risk assets.

Earnings momentum is expected to continue into 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages.

# AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Financial period ended 31.12.2020 USD	Financial period ended 31.12.2019 USD
<b>INVESTMENT INCOME</b>		
Dividend income	1,003,179	2,180,034
Interest income from financial assets at amortised cost	1,528	2,361
Net loss on foreign currency exchange	(1,624)	(9,649)
Net gain/(loss) on financial assets at fair value through profit or loss	9,503,864	(878,495)
	<u>10,506,947</u>	<u>1,294,251</u>
<b>EXPENSES</b>		
Management fee	(361,747)	(628,538)
Trustee fee	(8,828)	(15,291)
Fund accounting fee	(5,712)	-
Auditors' remuneration	(1,383)	(1,381)
Tax agent's fee	(605)	(644)
Other expenses	(9,647)	(8,511)
	<u>(387,922)</u>	<u>(654,365)</u>
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>	10,119,025	639,886
<b>FINANCE COST</b>		
Distributions	(597,229)	(1,392,883)
<b>NET PROFIT BEFORE TAXATION</b>	9,521,796	(752,997)
Taxation	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>9,521,796</u>	<u>(752,997)</u>
Increase/(decrease) in net assets attributable to unitholders income comprise the following:		
Realised amount	(1,088,432)	(298,104)
Unrealised amount	10,610,228	(454,893)
	<u>9,521,796</u>	<u>(752,997)</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	<u>2020</u> USD	<u>2019</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	1,230,123	1,251,292
Amount due from brokers	304,200	202,584
Amount due from Manager		
- creation of units	183,534	-
- rebate of management fee receivable	26,544	47,214
Financial assets at fair value through profit or loss	25,002,829	44,459,682
<b>TOTAL ASSETS</b>	<u>26,747,230</u>	<u>45,960,772</u>
<b>LIABILITIES</b>		
Amount due to Manager		
- management fee	36,697	63,341
- cancellation of units	305,197	529,858
Amount due to Trustee	890	1,535
Auditors' remuneration	1,396	1,457
Tax agent's fee	1,882	2,843
Other payable and accruals	3,136	2,687
<b>TOTAL LIABILITIES</b>	<u>349,198</u>	<u>601,721</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>26,398,032</u>	<u>45,359,051</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>26,398,032</u>	<u>45,359,051</u>

# AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONTINUED)

	<u>2020</u> USD	<u>2019</u> USD
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- AUD Class	7,946,134	10,979,584
- RM Class	8,765,177	18,000,458
- SGD Class	4,530,582	7,139,311
- USD Class	5,156,139	9,239,698
	<u>26,398,032</u>	<u>45,359,051</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- AUD Class	18,403,000	27,675,000
- RM Class	59,232,000	132,293,000
- SGD Class	10,976,000	18,758,000
- USD Class	9,109,000	17,689,000
	<u>97,720,000</u>	<u>196,415,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- AUD Class	0.4318	0.3967
- RM Class	0.1480	0.1361
- SGD Class	0.4128	0.3806
- USD Class	0.5660	0.5223
	<u>0.5660</u>	<u>0.5223</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD Class	AUD0.5604	AUD0.5660
- RM Class	RM0.5946	RM0.5565
- SGD Class	SGD0.5457	SGD0.5120
- USD Class	USD0.5660	USD0.5223
	<u>USD0.5660</u>	<u>USD0.5223</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### STATEMENT OF CHANGES IN NET ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Financial period ended 31.12.2020 USD	Financial period ended 31.12.2019 USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	28,778,562	60,075,088
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	1,464,900	3,721,126
- AUD class	795,062	1,195,500
- RM class	379,082	2,299,024
- SGD class	290,756	95,981
- USD class	-	130,621
Creation of units arising from distributions	587,884	1,358,567
- AUD class	155,553	326,158
- RM class	206,443	492,353
- SGD class	92,317	231,340
- USD class	133,571	308,716
Cancellation of units	(13,955,110)	(19,042,733)
- AUD class	(3,125,157)	(6,615,336)
- RM class	(6,195,233)	(5,322,040)
- SGD class	(1,728,042)	(3,545,105)
- USD class	(2,906,678)	(3,560,252)
Net increase/(decrease) in net assets attributable to unitholders during the financial period	9,521,796	(752,997)
- AUD class	2,552,756	(87,216)
- RM class	3,531,689	(274,658)
- SGD class	1,457,085	(138,407)
- USD class	1,980,266	(252,716)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>26,398,032</u>	<u>45,359,051</u>

[www.affinhwangam.com](http://www.affinhwangam.com)

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