

Affin Hwang World Series - Global Balanced Fund

Interim Report

30 November 2018

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



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

Interim Report and Unaudited Financial Statements For The Financial Period Ended 30 November 2018

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FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Balanced Fund
Fund Type	Growth
Fund Category	Balanced (Fund-of Funds)
Investment Objective	The Fund aims to provide investors with capital growth opportunities through a portfolio of collective investment schemes
Benchmark	50% MSCI All Country World Index + 50% Barclays Global Aggregate Index
Distribution Policy	The Fund is not expected to make any income distribution. However, incidental income distribution may be declared whenever appropriate.

BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 30 NOVEMBER 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	2	18
10,001 to 50,000	12	329
50,001 to 500,000	1	56
500,001 and above	5	34,789
Total	20	35,192

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE AUD HEDGED-CLASS AS AT 30 NOVEMBER 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	1	9
10,001 to 50,000	7	177
50,001 to 500,000	9	1,789
500,001 and above	4	59,423
Total	21	61,398

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE MYR HEDGED-CLASS AS AT 30 NOVEMBER 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	12	27
5,001 to 10,000	13	98
10,001 to 50,000	29	720
50,001 to 500,000	32	5,814
500,001 and above	16	1,172,031
Total	102	1,178,690

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE SGD HEDGED-CLASS AS AT 30 NOVEMBER 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	1	9
10,001 to 50,000	14	395
50,001 to 500,000	13	3,488
500,001 and above	4	33,869
Total	32	37,761

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE GBP HEDGED-CLASS AS AT 30 NOVEMBER 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	3	41
50,001 to 500,000	4	486
500,001 and above	4	37,507
Total	11	38,034

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE EUR HEDGED-CLASS AS AT 30 NOVEMBER 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	1	38
50,001 to 500,000	1	142
500,001 and above	0	0
Total	2	180

** Note: Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As At 30 Nov 2018 (%)						As At 30 Nov 2017 (%)				
Portfolio composition											
Collective Investment Scheme – foreign	72.84						72.25				
Exchanged-traded-fund – local	0.75						-				
Exchanged-traded-fund – foreign	24.42						24.30				
Cash & cash equivalent	1.99						3.45				
Total	100.00						100.00				
Currency class	<u>USD</u> <u>Class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>GBP</u> <u>Hedged-</u> <u>class</u>	<u>EUR</u> <u>Hedged-</u> <u>class</u>	<u>USD</u> <u>Class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>GBP</u> <u>Hedged-</u> <u>class</u>
Total NAV (million)	18.715	32.118	654.465	19.859	18.596	0.095	11.770	16.498	345.093	11.134	8.762
NAV per unit (in respective currencies)	0.5317	0.5230	0.5552	0.5257	0.4889	0.4768	0.5542	0.5467	0.5743	0.5534	0.5190
Unit in Circulation (million)	35.201	61.410	1,178.736	37.776	38.039	0.199	21.239	30.181	600.848	20.121	16.882
Highest NAV	0.5587	0.5499	0.5822	0.5556	0.5189	0.5053	0.5554	0.5478	0.5757	0.5546	0.5204
Lowest NAV	0.5254	0.5169	0.5487	0.5196	0.4833	0.4713	0.5277	0.5213	0.5450	0.5281	0.4972
Return of the Fund (%) ⁱⁱⁱ	-3.59	-3.84	-3.38	-4.16	-4.59	-4.68	5.20	4.91	5.73	4.83	3.80
- Capital Return (%) ⁱ	-3.76	-3.84	-3.54	-4.33	-4.77	-4.68	5.20	4.91	5.73	4.83	3.80
- Income Return (%) ⁱⁱ	0.18	Nil	0.17	0.18	0.20	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	0.10	Nil	0.10	0.10	0.10	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	0.10	Nil	0.10	0.10	0.10	Nil	Nil	Nil	Nil	Nil	Nil
Management Expenses Ratio (%) ¹			0.69						0.74		
Portfolio Turnover Ratio (times) ²			0.23						0.67		

¹ The Fund's MER was lower than previous year due to higher average net asset value of the Fund for the financial period.

² The Fund's PTR was lower than previous year due to higher average net asset value of the Fund for the financial period.

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

USD Class

Capital Return ⁱ	= {NAV per Unit @ 30/11/2018 ÷ NAV per Unit @ 31/05/2018* - 1} x 100 = {0.5317 ÷ 0.5525 - 1} x 100 = <u>-3.76%</u>
Income Return @ ex-date	= {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1 = {0.0010 ÷ 0.5503 @ 18/07/18} + 1 = 1.0018
Total Income Return ⁱⁱ	= {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100 = {1.0018} – 1 x 100 = <u>0.18%</u>
Return of the Fund ⁱⁱⁱ	= [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100 = [{(1 + (-3.76%)) x (1 + 0.18%)} – 1] x 100 = <u>-3.59%</u>

AUD Hedged-class

Capital Return ⁱ	= {NAV per Unit @ 30/11/2018 ÷ NAV per Unit @ 31/05/2018* - 1} x 100 = {0.5230 ÷ 0.5439 - 1} x 100 = <u>-3.84%</u>
Total Income Return ⁱⁱ	= <u>Nil</u>
Return of the Fund ⁱⁱⁱ	= [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100 = [{(1 + (-3.84%)) x (1 + 0.00%)} – 1] x 100 = <u>-3.84%</u>

MYR Hedged-class

Capital Return ⁱ	= {NAV per Unit @ 30/11/2018 ÷ NAV per Unit @ 31/05/2018* - 1} x 100 = {0.5552 ÷ 0.5756 - 1} x 100 = <u>-3.54%</u>
Income Return @ ex-date	= {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1 = {0.0010 ÷ 0.5736 @ 18/07/18} + 1 = 1.0017
Total Income Return ⁱⁱ	= {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100 = {1.0017} – 1 x 100 = <u>0.17%</u>
Return of the Fund ⁱⁱⁱ	= [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100 = [{(1 + (-3.54%)) x (1 + 0.17%)} – 1] x 100 = <u>-3.38%</u>

SGD Hedged-class

Capital Returnⁱ	$= \{ \text{NAV per Unit @ 30/11/2018} \div \text{NAV per Unit @ 31/05/2018}^* - 1 \} \times 100$ $= \{ 0.5257 \div 0.5495 - 1 \} \times 100$ $= \underline{\underline{-4.33\%}}$
Income Return @ ex-date	$= \{ \text{Income distribution per Unit} \div \text{NAV per Unit on ex-date} \} + 1$ $= \{ 0.0010 \div 0.5472 @ 18/07/18 \} + 1 = 1.0018$
Total Income Returnⁱⁱ	$= \{ \text{Income distribution per Unit} \div \text{NAV per Unit on ex-date} \} \times 100$ $= \{ 1.0018 \} - 1 \times 100$ $= \underline{\underline{0.18\%}}$
Return of the Fundⁱⁱⁱ	$= \{ [(1 + \text{Capital Return}) \times (1 + \text{Income Return})] - 1 \} \times 100$ $= \{ [(1 + (-4.33\%)) \times (1 + 0.18\%)] - 1 \} \times 100$ $= \underline{\underline{-4.16\%}}$

GBP Hedged-class

Capital Returnⁱ	$= \{ \text{NAV per Unit @ 30/11/2018} \div \text{NAV per Unit @ 31/05/2018}^* - 1 \} \times 100$ $= \{ 0.4889 \div 0.5134 - 1 \} \times 100$ $= \underline{\underline{-4.77\%}}$
Income Return @ ex-date	$= \{ \text{Income distribution per Unit} \div \text{NAV per Unit on ex-date} \} + 1$ $= \{ 0.0010 \div 0.5099 @ 18/07/18 \} + 1 = 1.0020$
Total Income Returnⁱⁱ	$= \{ \text{Income distribution per Unit} \div \text{NAV per Unit on ex-date} \} \times 100$ $= \{ 1.0020 \} - 1 \times 100$ $= \underline{\underline{0.20\%}}$
Return of the Fundⁱⁱⁱ	$= \{ [(1 + \text{Capital Return}) \times (1 + \text{Income Return})] - 1 \} \times 100$ $= \{ [(1 + (-4.77\%)) \times (1 + 0.20\%)] - 1 \} \times 100$ $= \underline{\underline{-4.59\%}}$

EUR Hedged-class

Capital Returnⁱ	$= \{ \text{NAV per Unit @ 30/11/2018} \div \text{NAV per Unit @ 31/05/2018}^* - 1 \} \times 100$ $= \{ 0.4768 \div 0.5002 - 1 \} \times 100$ $= \underline{\underline{-4.68\%}}$
Total Income Returnⁱⁱ	$= \underline{\underline{\text{Nil}}}$
Return of the Fundⁱⁱⁱ	$= \{ [(1 + \text{Capital Return}) \times (1 + \text{Income Return})] - 1 \} \times 100$ $= \{ [(1 + (-4.68\%)) \times (1 + 0.00\%)] - 1 \} \times 100$ $= \underline{\underline{-4.68\%}}$

* Source – TMF Trustees Malaysia Bhd

Table 1: Performance of the Fund

USD Class

	6 Months (1/6/18 - 30/11/18)	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(3.59%)	(3.89%)	6.53%
Benchmark	(2.76%)	(2.69%)	7.58%
Outperformance / (Underperformance)	(0.83%)	(1.20%)	(1.05%)

Source of Benchmark: Bloomberg

AUD Hedged-class

	6 Months (1/6/18 - 30/11/18)	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(3.84%)	(4.34%)	4.60%
Benchmark	(2.76%)	(2.69%)	8.99%
Outperformance / (Underperformance)	(1.08%)	(1.65%)	(4.39%)

Source of Benchmark: Bloomberg

MYR Hedged-class

	6 Months (1/6/18 - 30/11/18)	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(3.38%)	(3.16%)	11.23%
Benchmark	(2.76%)	(2.69%)	11.04%
Outperformance / (Underperformance)	(0.62%)	(0.47%)	0.19%

Source of Benchmark: Bloomberg

SGD Hedged-class

	6 Months (1/6/18 - 30/11/18)	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(4.16%)	(4.83%)	5.33%
Benchmark	(2.76%)	(2.69%)	9.42%
Outperformance / (Underperformance)	(1.40%)	(2.14%)	(4.09%)

Source of Benchmark: Bloomberg

GBP Hedged-class

	6 Months (1/6/18 - 30/11/18)	1 Year (1/12/17 - 30/11/18)	Since Commencement (7/6/17 - 30/11/18)
Fund	(4.59%)	(5.61%)	(2.03%)
Benchmark	(2.76%)	(2.69%)	2.20%
Outperformance / (Underperformance)	(1.83%)	(2.92%)	(4.23%)

Source of Benchmark: Bloomberg

EUR Hedged-class

	6 Months (1/6/18 - 30/11/18)	Since Commencement (17/5/18 - 30/11/18)
Fund	(4.68%)	(4.64%)
Benchmark	(2.76%)	(3.10%)
Outperformance / (Underperformance)	(1.91%)	(1.54%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

USD Class

	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(3.89%)	2.93%
Benchmark	(2.69%)	3.39%
Outperformance / (Underperformance)	(1.20%)	(0.46%)

Source of Benchmark: Bloomberg

AUD Hedged-class

	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(4.34%)	2.07%
Benchmark	(2.69%)	4.00%
Outperformance / (Underperformance)	(1.65%)	(1.93%)

Source of Benchmark: Bloomberg

MYR Hedged-class

	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(3.16%)	4.98%
Benchmark	(2.69%)	4.89%
Outperformance / (Underperformance)	(0.47%)	0.08%

Source of Benchmark: Bloomberg

SGD Hedged-class

	1 Year (1/12/17 - 30/11/18)	Since Commencement (22/9/16 - 30/11/18)
Fund	(4.83%)	2.40%
Benchmark	(2.69%)	4.19%
Outperformance / (Underperformance)	(2.14%)	(1.79%)

Source of Benchmark: Bloomberg

GBP Hedged-class

	1 Year (1/12/17 - 30/11/18)	Since Commencement (7/6/17 - 30/11/18)
Fund	(5.61%)	(1.37%)
Benchmark	(2.69%)	1.48%
Outperformance / (Underperformance)	(2.92%)	(2.85%)

Source of Benchmark: Bloomberg

EUR Hedged-class

	Since Commencement (17/5/18 - 30/11/18)
Fund	(8.39%)
Benchmark	(5.64%)
Outperformance / (Underperformance)	(2.75%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

USD Class

	FYE 2018 (1/6/17 - 31/5/18)	FYE 2017 (22/9/16 - 31/5/17)
Fund	4.88%	5.36%
Benchmark	5.73%	4.63%
Outperformance / (Underperformance)	(0.85%)	0.73%

Source of Benchmark: Bloomberg

AUD Hedged-class

	FYE 2018 (1/6/17 - 31/5/18)	FYE 2017 (22/9/16 - 31/5/17)
Fund	4.38%	4.22%
Benchmark	5.04%	6.70%
Outperformance / (Underperformance)	(0.66%)	(2.48%)

Source of Benchmark: Bloomberg

MYR Hedged-class

	FYE 2018 (1/6/17 - 31/5/18)	FYE 2017 (22/9/16 - 31/5/17)
Fund	5.96%	8.64%
Benchmark	5.10%	8.65%
Outperformance / (Underperformance)	0.87%	(0.01%)

Source of Benchmark: Bloomberg

SGD Hedged-class

	FYE 2018 (1/6/17 - 31/5/18)	FYE 2017 (22/9/16 - 31/5/17)
Fund	4.09%	5.58%
Benchmark	2.37%	6.54%
Outperformance / (Underperformance)	1.72%	(0.96%)

Source of Benchmark: Bloomberg

GBP Hedged-class

	FYE 2018 (7/6/17 - 31/5/18)
Fund	2.68%
Benchmark	1.87%
Outperformance / (Underperformance)	0.81%

Source of Benchmark: Bloomberg

EUR Hedged-class

	FYE 2018 (17/5/18 - 31/5/18)
Fund	0.04%
Benchmark	1.09%
Outperformance / (Underperformance)	(1.05%)

Source of Benchmark: Bloomberg

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

MANAGER'S REPORT

Performance Review

USD Class

For the period under review, the Fund – USD Class has registered a return of -3.59%, underperformed the benchmark return of -2.76% by 0.83 percentage points. The NAV per unit of the Fund on 30 November 2018 was USD0.5317 while the NAV per unit on 31 May 2018 was USD0.5525 (See Table 1 for performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

AUD Hedged-class

As for the AUD hedged-class, the Fund registered a return of -3.84% compared to the benchmark of -2.76% during the performance under review. The Fund thus underperformed the Benchmark by 1.08%. The Net Asset Value ("NAV") per unit as at 30 November 2018 was AUD0.5230 compared to the NAV per unit as 31 May 2018 was AUD0.5439.

MYR Hedged-class

As for the MYR hedged-class, the Fund registered a return of -3.38% compared to the benchmark of -2.76% during the performance under review. The Fund thus outperformed the Benchmark by 0.62%. The Net Asset Value ("NAV") per unit as at 30 November 2018 was RM0.5552 compared to the NAV per unit as 31 May 2018 was RM0.5756.

SGD Hedged-class

As for the SGD hedged-class, the Fund registered a return of -4.16% compared to the benchmark of -2.76% during the performance under review. The Fund thus underperformed the Benchmark by 1.40%. The Net Asset Value ("NAV") per unit as at 30 November 2018 was SGD0.5257 compared to the NAV per unit as 31 May 2018 was SGD0.5495.

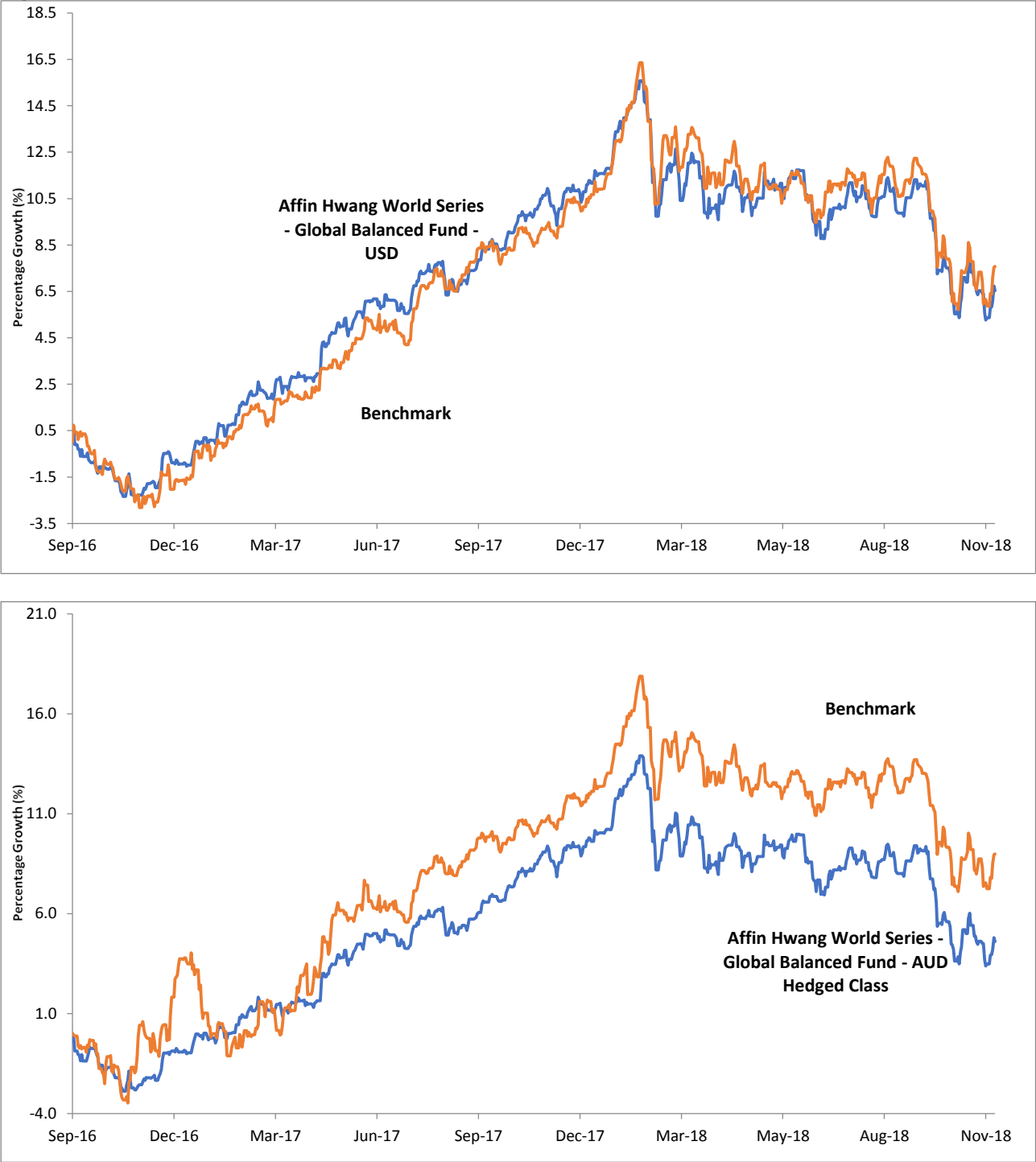
GBP Hedged-class

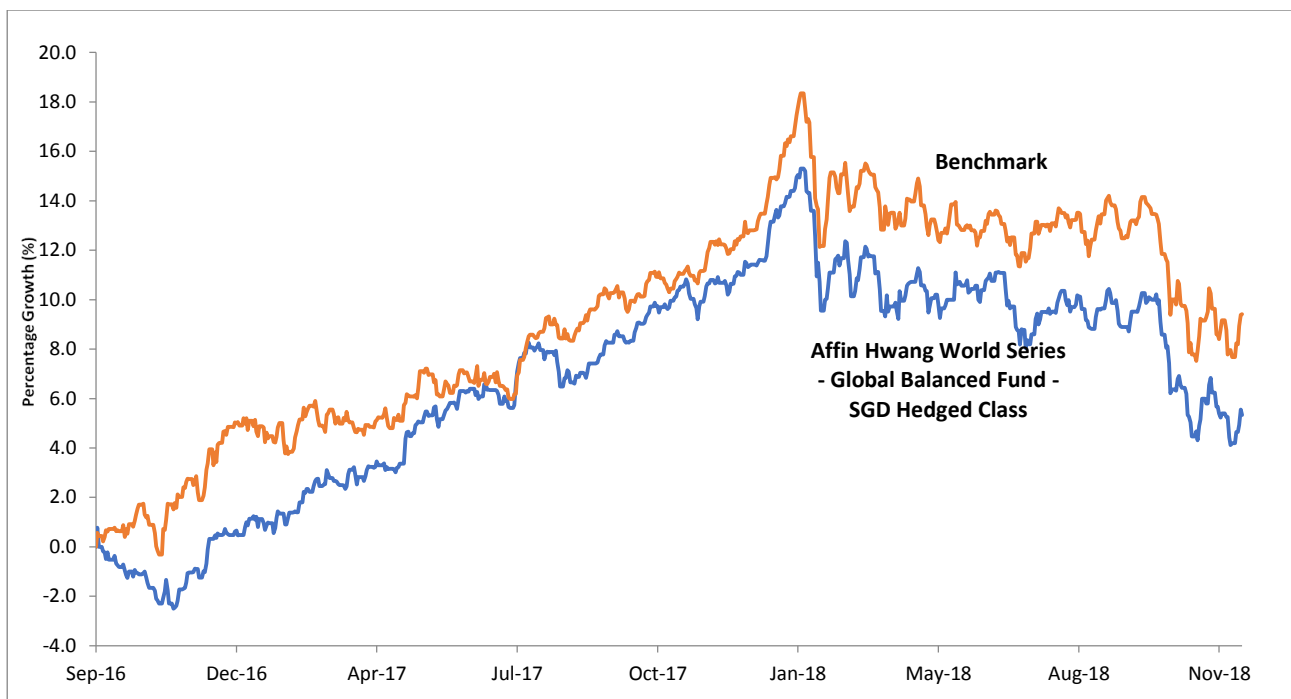
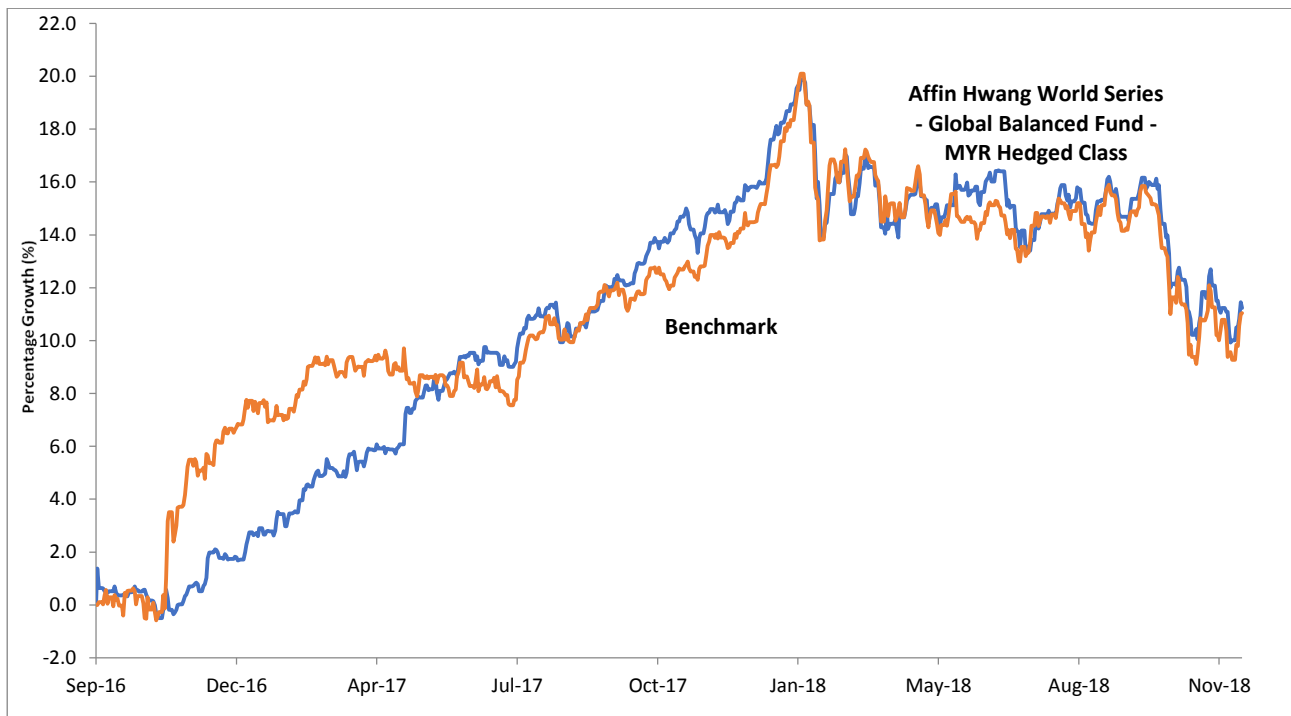
As for the GBP hedged-class, the Fund registered a return of -4.59% compared to the benchmark of -2.76% during the performance under review. The Fund thus underperformed the Benchmark by 1.83%. The Net Asset Value ("NAV") per unit as at 30 November 2018 was GBP0.4889 compared to the NAV per unit as 31 May 2018 was GBP0.5134.

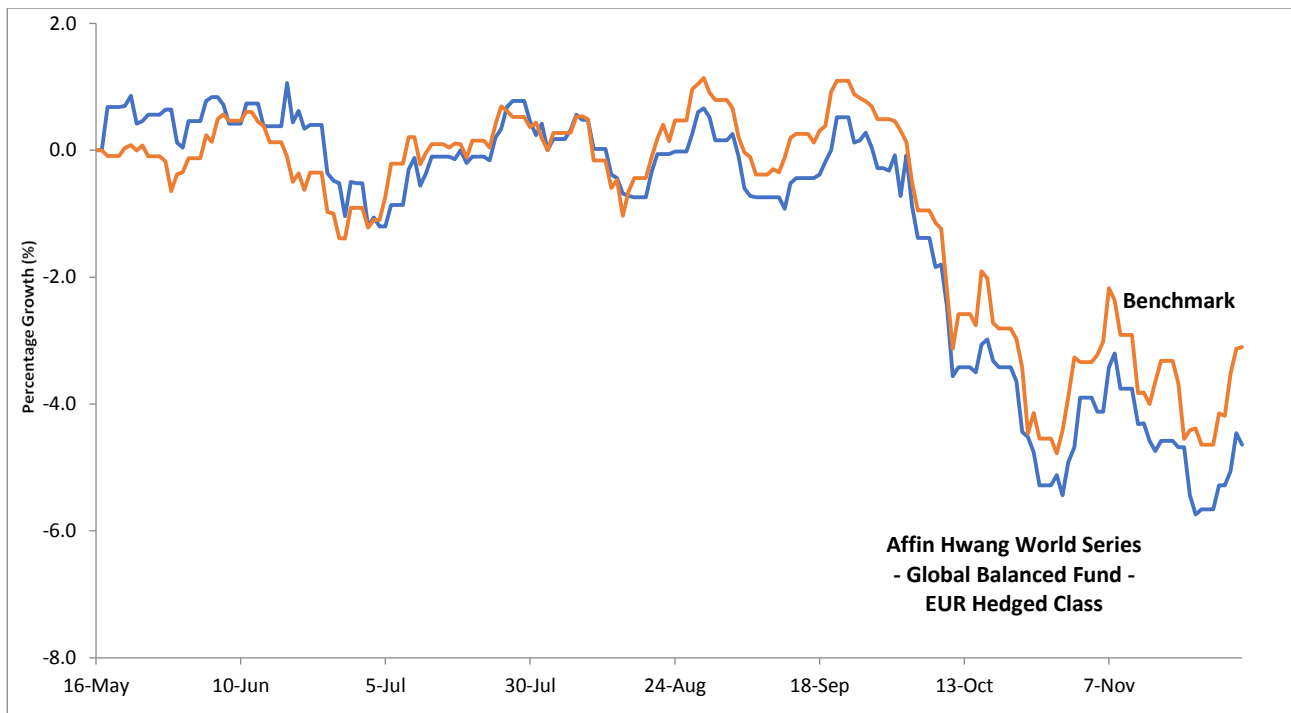
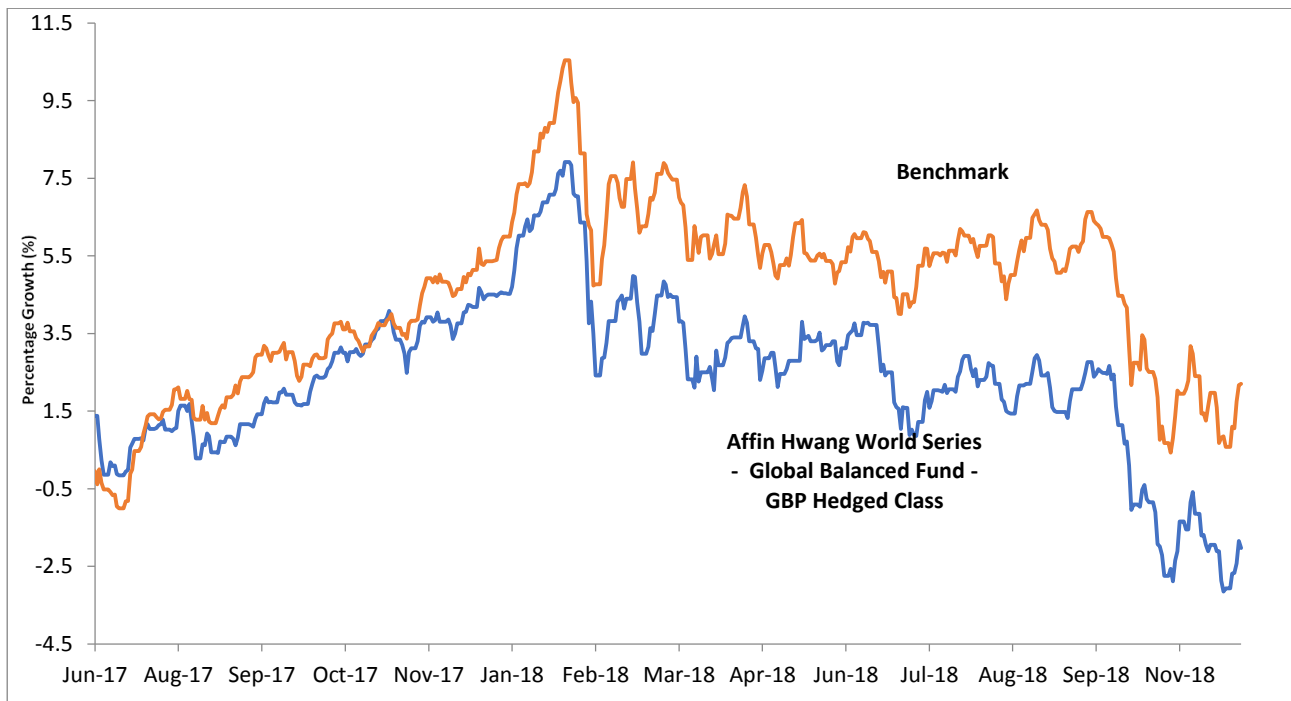
EUR Hedged-class

As for the EUR hedged-class, the Fund registered a return of -4.68% compared to the benchmark of -2.76% during the performance under review. The Fund thus underperformed the Benchmark by 1.91%. The Net Asset Value ("NAV") per unit as at 30 November 2018 was EUR0.4768 compared to the NAV per unit as 31 May 2018 was EUR0.5002.

Figure 1: Movement of the Fund versus the Benchmark







"This information is prepared by Affin Hwang Asset Management Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."

Benchmark: 50% MSCI All Country World Index + 50% Barclays Global Aggregate Index

Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of USD0.0010 per Unit (for USD Class), RM0.0010 per Unit (for MYR Hedged-class), SGD0.0010 per Unit (for SGD Hedged-class), and GBP0.0010 per Unit (for GBP Hedged-class) to investors of Affin Hwang World Series – Global Balanced Fund over the period under review.

During this period, no income distribution was declared for Affin Hwang World Series – Global Balanced Fund AUD Hedged-class and EUR Hedged-class.

The Net Asset Value per Unit prior and subsequent to the distribution was as follows:-

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
17 Jul 2018	18 Jul 2018	0.5504	0.0010	0.5503

MYR Hedged-class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
17 Jul 2018	18 Jul 2018	0.5737	0.0010	0.5736

SGD Hedged-class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
17 Jul 2018	18 Jul 2018	0.5474	0.0010	0.5472

GBP Hedged-class

Cum Date	Ex-Date	Cum-distribution (GBP)	Distribution per Unit (GBP)	Ex-distribution (GBP)
17 Jul 2018	18 Jul 2018	0.5100	0.0010	0.5099

No unit splits were declared for the financial year ended 30 November 2018.

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset allocation of the Fund

	<u>30 Nov 2018</u>	<u>30 Nov 2017</u>
	(%)	(%)
Collective investment scheme – foreign	72.84	72.25
Exchanged-traded fund – local	0.75	-
Exchanged-traded fund – foreign	24.42	24.30
Cash & Cash equivalent	1.99	3.45
Total	100.00	100.00

As at 30 November 2018, the asset allocation of the Fund stood at 72.84% in collective investment scheme (CIS), 25.17% in exchanged-traded fund (ETF) while the balance was held in cash and cash equivalent.

During the period under review, no significant changes has been made to the Fund's asset allocation. The Manager had added some exposures into local ETF. Cash level of the Fund dropped due to purchase of securiites.

Strategies Employed

During the period under review, the portfolio invested in a combination of actively managed mutual funds and passive ETFs with the aim to diversify globally across asset classes, geographies and sectors. Within equities, the portfolio held exposure to the US market through the iShares Core S&P 500 UCITS ETF and to Japan through the iShares MSCI Japan UCITS ETF. The portfolio also held exposure to several actively managed funds to gain exposure to Europe and Asian Stocks through the BGF European Special Situations Fund and BGF Asian Growth Leaders Fund, respectively. Within fixed income, the portfolio invested in a series of actively managed strategies to gain flexible exposure to global investment grade bonds, global high yield bonds and Asian credit. In addition to these equity and fixed income exposures, the portfolio also held several diversified multi-asset Funds in order to gain access to a broader and more diverse set of investment exposures in a flexible way. The portfolio held exposures to global income oriented investments through the BGF Global Multi-Asset Income Fund and BGF Dynamic High Income Fund while also allocating to the BGF Asian Multi-Asset Growth Fund for diversified exposure across Asia. Lastly, the portfolio sought additional asset class diversification through an exposure to Gold, holding the iShares Physical Gold ETF.

Market Review

Global markets dropped sharply during the period, with risk assets globally suffering losses. Equities and Bonds both fell, leaving little diversification benefit for investors with exposure to both. Emerging market assets were impacted the worst, primarily led by uncertainty surrounding trade policy as markets attempted to price in the impact of a potential trade war between the US and China. We believe the stress in markets was led by a combination of factors, including heightened geopolitical uncertainty, a deceleration in economic growth, uncertainty around the future direction of Federal Reserve Policy and deterioration in investor sentiment. The combination of these factors led to a material rise in market volatility throughout the period, though we believe it is important to put the past six months into the context of the broader post crisis economic recovery. Following a surprising positive year in 2017, 2018 has proven to be a challenging year for investors all around the world and across asset classes. The breath of negative returns has been unparalleled, with 90% of asset classes positing a negative return – a stark contrast to the 1% of asset classes which declined in 2017. Market volatility also increased with the VIX averaging 16.6, more than 50% higher than its average level in 2017.

Investment Outlook

Looking ahead, we remain pro-risk but have tempered that stance given the uneasy equilibrium we see between rising macro uncertainty and strong corporate earnings growth. However, we still prefer taking risk in equities over fixed income but recognize that we need to be selective and tactical. Within equities, we particularly like Japan given a general strength that the economic data is reflecting, which we believe is not reflected in current valuations. Moreover, the central bank is aiming to keep yields at historically low levels and the re-election of Abe might imply that we will see this trend continue. We also like emerging Asia given an encouraging economic backdrop on top of attractive valuations – particularly in Southeast Asia. However, we recognize the geopolitical tensions that might impact performance and hence focus on making the portfolio more resilient to downside shocks. On the fixed income side, we continue to believe that investors are better served to earn a return through income generation and rely less on price appreciation. As a result, we have a favourable view on credit vs. sovereigns with preference for EM Credit. Valuations of hard-currency debt have become more attractive relative to local-currency bonds and developed market corporates. Further valuation support comes from slowing supply and EM fundamentals. However, trade disputes and other downside risks make us pivot towards actively selected higher quality securities.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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 period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

We have acted as Trustee of Affin Hwang World Series – Global Balanced Fund (“the Fund”) for 6 months financial period ended 30 November 2018. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the Fund in accordance with the limitations imposed on the investment powers of the management company and the trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission’s Guidelines on Unit Trust Funds and other applicable laws during the period then ended.

We have also ensured the following:

- (a) the procedures and processes employed by **Affin Hwang Asset Management Berhad** to value and/or price the units of the Fund are adequate and that such valuation/pricing is carried out in accordance with the Deed of the Fund and other regulatory requirements; and
- (b) the creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

During this financial year, the total distributions of 0.10 sen per Unit for USD class, GBP Hedged-class, MYR Hedged-class and SGD Hedged-class have been distributed to the Unitholders of the Fund. We are of the view that the distributions are not inconsistent with the objective of the Fund.

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

NORHAYATI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
15 January 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

	<u>Note</u>	6 months financial period ended <u>30.11.2018</u> USD	6 months financial period ended <u>30.11.2017</u> USD
INVESTMENT (LOSS)/INCOME			
Dividend income		2,939,954	667,347
Interest income from deposits with licensed financial institutions		3,524	2,455
Net (loss)/gain on foreign currency exchange		(6,102)	20,431
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(10,975,744)	3,462,314
Net (loss)/gain on financial assets at fair value through profit or loss	8	(10,215,116)	3,622,087
Rebate of management fee	4	32,717	12,476
		<u>(18,220,767)</u>	<u>7,787,110</u>
EXPENSES			
Management fee	4	(1,674,519)	(466,350)
Trustee fee	5	(77,286)	(21,524)
Auditors' remuneration		(946)	(820)
Tax agent's fee		(441)	(415)
Transaction cost		(63,192)	(36,775)
Other expenses		(13,240)	(39,645)
		<u>(1,829,624)</u>	<u>(565,529)</u>
NET (LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(20,050,391)	7,221,581
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		(20,050,391)	-
Distributions	6	<u>(429,811)</u>	<u>-</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)**

	<u>Note</u>	6 months financial period ended <u>30.11.2018</u> USD	6 months financial period ended <u>30.11.2017</u> USD
NET (LOSS)/PROFIT BEFORE TAXATION		(20,480,202)	7,221,581
Taxation	7	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(20,480,202)</u>	<u>7,221,581</u>
(Decrease)/increase of net asset attributable to unitholders is made up of the following:			
Realised amount		(8,390,357)	1,943,974
Unrealised amount		(12,089,845)	5,277,607
		<u>(20,480,202)</u>	<u>7,221,581</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
ASSETS			
Cash and cash equivalents	9	7,774,493	2,303,870
Financial assets at fair value through profit or loss	8	232,386,093	124,221,438
Dividend receivables		-	168,718
Amount due from brokers		2,649	
Amount due from Manager			
- creation of units		543,914	2,607,609
Rebate of management fee receivable		1,383	-
Forward foreign currency contracts at fair value through profit or loss	10	408,095	2,630,851
TOTAL ASSETS		<u>241,116,627</u>	<u>131,932,486</u>
LIABILITIES			
Amount due to Manager			
- management fee		253,666	126,189
- cancellation of units		367,262	-
Amount due to Trustee		11,708	5,824
Amount due to brokers		51,811	2,760,653
Auditors' remuneration		821	685
Tax agent's fee		2,259	2,242
Other payable and accruals		(1,075)	9,704
Forward foreign currency contracts at fair value through profit or loss	10	3,329,270	362,158
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)		<u>4,015,722</u>	<u>3,267,455</u>
NET ASSET VALUE OF THE FUND		<u>237,100,905</u>	<u>128,665,031</u>
NET ASSET ATTRIBUTABLE TO UNITHOLDERS		<u>237,100,905</u>	<u>128,665,031</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018 (CONTINUED)**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		23,507,629	12,478,414
- EUR Hedged-class		108,120	-
- GBP Hedged-class		23,826,879	11,784,323
- MYR Hedged-class		156,439,534	84,385,195
- SGD Hedged-class		14,503,991	8,246,347
- USD Class		18,714,752	11,770,752
		<u>237,100,905</u>	<u>128,665,031</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	11(a)	61,410,000	30,181,000
- EUR Hedged-class	11(b)	199,000	-
- GBP Hedged-class	11(c)	38,039,000	16,882,000
- MYR Hedged-class	11(d)	1,178,736,000	600,848,000
- SGD Hedged-class	11(e)	37,776,000	20,121,000
- USD Class	11(f)	35,201,000	21,239,000
		<u>1,351,361,000</u>	<u>689,271,000</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018 (CONTINUED)**

	<u>2018</u> USD	<u>2017</u> USD
REPRESENTED BY (CONTINUED):		
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.3828	0.4135
- EUR Hedged-class	0.5433	-
- GBP Hedged-class	0.6264	0.6980
- MYR Hedged-class	0.1327	0.1404
- SGD Hedged-class	0.3839	0.4098
- USD Class	<u>0.5317</u>	<u>0.5542</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD 0.5230	AUD 0.5467
- EUR Hedged-class	EUR 0.4768	-
- GBP Hedged-class	GBP 0.4889	GBP 0.5190
- MYR Hedged-class	MYR 0.5552	MYR 0.5743
- SGD Hedged-class	SGD 0.5257	SGD 0.5534
- USD Class	<u>USD 0.5317</u>	<u>USD 0.5542</u>

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018

	6 months financial period ended 30.11.2018 USD	6 months financial period ended 30.11.2017 USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	269,580,135	30,260,606
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	17,670,276	92,648,572
- AUD Hedged-class	2,035,581	10,835,628
- EUR Hedged-class	103,790	-
- GBP Hedged-class	1,406,334	11,284,433
- MYR Hedged-class	11,444,386	52,956,372
- SGD Hedged-class	855,708	7,749,880
- USD Class	1,824,477	9,822,259
Creation of units arising from distributions	425,206	-
- GBP Hedged-class	58,586	-
- MYR Hedged-class	293,354	-
- SGD Hedged-class	32,795	-
- USD Class	40,471	-
Cancellation of units	(30,094,510)	(1,465,728)
- AUD Hedged-class	(3,897,232)	(152,244)
- GBP Hedged-class	(5,222,513)	(27,171)
- MYR Hedged-class	(11,940,011)	(599,732)
- SGD Hedged-class	(4,773,824)	(51,519)
- USD Class	(4,260,930)	(635,062)
(Decrease)/increase of net asset attributable to unitholders during the financial period	(20,480,202)	7,221,581
- AUD Hedged-class	(1,953,052)	18,600
- EUR Hedged-class	(7,385)	527,062
- GBP Hedged-class	(2,401,791)	-
- MYR Hedged-class	(14,217,687)	6,121,588
- SGD Hedged-class	(1,118,723)	215,098
- USD Class	(781,564)	339,233
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>237,100,905</u>	<u>128,665,031</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

	6 months financial period ended <u>30.11.2018</u> USD	6 months financial period ended <u>30.11.2017</u> USD
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	70,116,367	2,445,435
Purchase of investments	(49,304,073)	(93,497,171)
Dividends received	2,939,954	498,629
Interest received	3,524	2,455
Management fee paid	(1,715,565)	(370,992)
Trustee fee paid	(79,180)	(17,123)
Payment for other fees and expenses	(98,454)	(71,777)
Management fee rebate received	32,145	12,476
Realised (loss)/gain on forward foreign currency contracts	(10,598,313)	1,671,995
Net realised (loss)/gain on foreign currency exchange	(5,185)	11,767
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	11,291,220	(89,314,306)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	18,739,063	91,602,624
Payments for cancellation of units	(30,209,815)	(1,465,728)
Payments for distribution	(4,605)	-
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(11,475,357)	90,136,896
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(184,137)	822,590
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(917)	8,664
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	7,959,547	1,472,616
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9 7,774,493	2,303,870
	<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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018

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

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

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 June 2018:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'.

The adoption of these amendments did not have any impact on the current year and is not likely to affect future years.

- (b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows:

- (i) Financial year beginning on/after 1 June 2019

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows: (continued)

(i) Financial year beginning on/after 1 June 2018 (continued)

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund has reviewed its financial assets and liabilities and does not expect any impact from the adoption of the new standard on 1 June 2018.

There will be no impact on the Fund's accounting for financial assets as the Fund's equity investments currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the Fund's investments in forward foreign currency contracts will continue to be measured on the same basis under MFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.

B INCOME RECOGNITION

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

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

C DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

D TAXATION

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATIONS

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund designates its investment in collective investments scheme as financial assets at fair value through profit or loss.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Derivatives are financial assets/liabilities at fair value through profit or loss categorised as held for trading unless they are designated hedges (Note M).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund’s loan and receivables comprise cash and cash equivalents, amount due from brokers, amount due from Manager and rebate of management fee receivable.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to Manager, amount due to Trustee, amount due to brokers,, auditors’ remuneration, tax agent’s fee and other payables and accruals as other financial liabilities.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Financial liabilities, within the scope of MFRS 139, 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 de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Derivative investments consist of forward foreign currency contracts. 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.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Investment in collective investment schemes is valued at the last published NAV per unit at the date of the statement of financial position.

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

(iii) Impairment

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and cash equivalents and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I CREATION AND CANCELLATION OF UNITS

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

J AMOUNTS DUE FROM/ (TO) BROKERS

Amounts due from and to brokers 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amount due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial re-organisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or loans expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

K INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

L SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

M DERIVATIVE FINANCIAL INSTRUMENTS

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

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

M DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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.

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

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note G.

N TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

O CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

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 SC's Guidelines on Unit Trust Funds.

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) Significant portion of the NAV is invested in the form of cash denominated in USD for the purpose of making settlement of the foreign trades.
- ii) Significant portion of the Fund's expenses are denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Global Balanced Fund (the “Fund”) pursuant to the execution of a Deed dated 29 March 2016 and Second Supplemental Deed dated 26 January 2018. The Fund has changed its name from Affin Hwang Global Balanced Fund to Affin Hwang World Series – Global Balanced Fund as amended by the Supplemental Deed dated 1 November 2016 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 22 September 2016 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

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

- (a) Units/shares in collective investment schemes;
- (b) Money market instruments;
- (c) Fixed deposits;
- (d) Derivatives;
- (e) Any other form of investments as may be permitted by the SC from time to time is in line with the objective of the Fund.

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds.

The main objective of the Fund is to provide investors with capital growth opportunities through a portfolio of collective investment schemes.

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

The financial statements were authorised for issue by the Manager on 15 January 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	<u>Loans and receivables</u> USD	<u>Financial assets/ (liabilities) at fair value through profit or loss</u> USD	<u>Total</u> USD
<u>2018</u>				
Cash and cash equivalents		7,774,493	-	7,774,493
Collective investment schemes – foreign	7	-	172,695,373	172,695,373
Exchange-traded funds – foreign	7	-	59,690,720	59,690,720
Amount due from Manager				
- creation of units		543,914	-	543,914
Amount due from brokers		2,649	-	2,649
Rebate of management fee receivable		1,383	-	1,383
Forward foreign currency contracts	8	-	(2,921,175)	(2,921,175)
Total		<u>8,322,439</u>	<u>229,464,918</u>	<u>237,787,357</u>
<u>2017</u>				
Cash and cash equivalents		2,303,870	-	2,303,870
Collective investment schemes – foreign	7	-	92,958,099	92,958,099
Exchange-traded funds – foreign	7	-	31,263,339	31,263,339
Dividend receivables		168,718	-	168,718
Amount due from Manager				
- creation of units		2,607,609	-	2,607,609
Forward foreign currency contracts	8	-	2,268,693	2,268,693
Total		<u>5,080,197</u>	<u>126,490,131</u>	<u>131,570,328</u>

All current liabilities, except forward of foreign currency contracts are financial liabilities which are carried at amortised cost.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (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>2018</u> USD	<u>2017</u> USD
Collective investment schemes		
Collective investment schemes designated at fair value through profit or loss	172,695,373	92,958,099
Exchange-traded-funds		
Exchange-traded-funds designated at fair value through profit or loss	59,690,720	31,263,339

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 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% change in price</u>	<u>Market value</u> USD	Impact on (loss)/profit after tax/NAV USD
<u>2018</u>		
-5%	220,766,788	(11,619,305)
0%	232,386,093	-
+5%	244,005,398	11,619,305
<u>2017</u>		
-5%	118,010,366	(6,211,072)
0%	124,221,438	-
+5%	130,432,510	6,211,072

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (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.

(c) Currency risk

Currency risk is associated with assets/liabilities denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the assets/liabilities 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:

	Forward foreign currency contracts USD	Cash and bank balances USD	Other assets*/ (liabilities)** USD	Net assets attributable to unitholders USD	Total USD
<u>2018</u>					
Australian Dollar	284,775	965	(31,750)	(23,507,629)	(23,253,639)
Euro	(582)	173	-	(108,120)	(108,529)
Great British Pounds	(473,000)	12,989	9,961	(23,826,879)	(24,276,929)
Malaysia Ringgit	(2,690,434)	52,488	479,134	(156,439,532)	(158,598,344)
Singapore Dollar	(41,934)	26,095	(18,261)	(14,503,991)	(14,538,091)
	<u>(2,921,175)</u>	<u>92,710</u>	<u>439,084</u>	<u>(218,386,151)</u>	<u>(220,775,532)</u>
<u>2017</u>					
Australian Dollar	(346,952)	93,111	337,646	(12,478,414)	(12,394,609)
British Pound Sterling	202,029	306,896	88,826	(11,784,323)	(11,186,572)
Malaysian Ringgit	2,401,583	245,621	1,772,732	(84,385,195)	(79,965,259)
Singapore Dollar	12,033	4,314	225,922	(8,246,347)	(8,004,078)
	<u>2,268,693</u>	<u>649,942</u>	<u>2,425,126</u>	<u>(116,894,279)</u>	<u>(111,550,518)</u>

* Other assets consist of amount due from Manager.

** Other liabilities consist of amount due to Manager.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (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 by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 5%. 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>2018</u>		
Australian Dollar	+/- 5	+/- (1,162,682)
Euro	+/- 5	+/- (5,426)
Great British Pounds	+/- 5	+/- (1,213,846)
Malaysian Ringgit	+/- 5	+/- (7,929,917)
Singapore Dollar	+/- 5	+/- (726,905)
<u>2017</u>		
Australian Dollar	+/- 5	+/- (619,730)
British Pound Sterling	+/- 5	+/- (559,329)
Malaysian Ringgit	+/- 5	+/- (3,998,263)
Singapore Dollar	+/- 5	+/- (400,204)

Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

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

Liquidity risk

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.

	Within one month USD	Between one month to one year USD	Total USD
<u>2018</u>			
Amount due to Manager			
- management fees	253,666	-	253,666
- cancellation of units	367,262	-	367,262
Amount due to Trustee	11,708	-	11,708
Amount due to brokers	51,811	-	51,811
Auditors' remuneration	-	821	821
Tax agent fee	-	2,259	2,259
Other payables and accruals	-	(1,075)	(1,075)
Forward foreign currency contracts at fair value through profit or loss	1,000,365	2,328,905	3,329,270
Net asset attributable to unitholders*	237,100,905	-	237,100,905
	<u>238,785,717</u>	<u>2,330,910</u>	<u>241,116,627</u>
<u>2017</u>			
Amount due to Manager			
- management fees	126,189	-	126,189
Amount due to Trustee	5,824	-	5,824
Amount due to brokers	2,760,653	-	2,760,653
Auditors' remuneration	-	685	685
Tax agent fee	-	2,242	2,242
Other payables and accruals	8,417	1,287	9,704
Forward foreign currency contracts at fair value through profit or loss	193,349	168,809	362,158
Net asset attributable to unitholders*	128,665,031	-	128,665,031
	<u>131,759,463</u>	<u>173,023</u>	<u>131,932,486</u>

*Outstanding units are redeemed in demand of the unitholders option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

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

Credit risk

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

Credit risk arising from 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 Unit Trust Funds.

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

	Forward foreign currency contracts USD	Cash and bank balances USD	Other assets* USD	Total USD
<u>2018</u>				
Finance				
- AAA	95,836	47,827	-	143,663
- AA1	68,015	7,726,666	-	7,794,681
- AA2	49,484	-	-	49,484
- AA3	40,441	-	-	40,441
- NR	154,319	-	2,649	156,968
Others				
- NR	-	-	545,297	545,297
	<u>408,095</u>	<u>7,774,493</u>	<u>547,946</u>	<u>8,730,534</u>
<u>2017</u>				
Finance				
- AAA	806,753	239,658	-	1,046,411
- AA1	-	2,064,212	-	2,064,212
- AA2	1,308,620	-	-	1,308,620
- AA3	307,725	-	-	307,725
- NR	207,753	-	168,718	376,471
Others				
- NR	-	-	2,607,609	2,607,609
	<u>2,630,851</u>	<u>2,303,870</u>	<u>2,776,327</u>	<u>7,711,048</u>

* Other assets consist of amount due from Manager, rebate of management fee receivable and amount due from brokers.

The Fund's financial assets are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

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

Capital risk

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

3 FAIR VALUE ESTIMATION

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

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

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 that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (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>2018</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	172,695,373	-	-	172,695,373
- exchange-traded-funds	59,690,720	-	-	59,690,720
	<u>232,386,093</u>	<u>-</u>	<u>-</u>	<u>232,386,093</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contract	-	(2,921,175)	-	(2,921,175)
	<u>-</u>	<u>(2,921,175)</u>	<u>-</u>	<u>(2,921,175)</u>
<u>2017</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	92,958,099	-	-	92,958,099
- exchange traded fund	31,263,339	-	-	31,263,339
- forward foreign currency contracts	-	2,268,693	-	2,268,693
	<u>124,221,438</u>	<u>2,268,693</u>	<u>-</u>	<u>126,490,131</u>

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

Financial instruments that trade in markets that are 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 unquoted fixed income securities and forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

4 MANAGEMENT FEE AND REBATE OF MANAGEMENT FEE

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

For the financial period ended 30 November 2018, the management fee is recognised at a rate of 1.30% (2017: 1.30%) per annum on the NAV of the Fund, calculated on a daily basis.

As this Fund invest in units of Affin Hwang USD Cash Fund, BlackRock Global Funds - Asian Growth Leaders, BlackRock Global Funds - Asian Multi-Asset Growth Fund, BlackRock Global Funds - Asian Tiger Bond Fund, BlackRock Global Funds - Dynamic High Income Fund, BlackRock Global Funds - European Special Situations Fund, BlackRock Global Funds - Global Corporate Bond Fund, BlackRock Global Funds - Global High Yield Bond Fund, BlackRock Global Funds - Global Multi-Asset Income and Tradeplus Shariah Gold Tracker, any management fee charged to Affin Hwang USD Cash Fund, BlackRock Global Funds and Tradeplus Shariah Gold Tracker are fully refunded to this Fund. Accordingly, there is no double charging of management fee.

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 net asset value (NAV) of the Fund excluding of foreign custodian fees and charges.

For the financial period ended 30 November 2018, the Trustee's fee is recognised at a rate of 0.06% (2017: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on a daily basis.

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

6 DISTRIBUTION

6 months financial period ended <u>30.11.2018</u> USD	6 months financial period ended <u>30.11.2017</u> USD
-------------------------------------------------------------------	-------------------------------------------------------------------

Distribution to unitholders is from the following sources:

Prior year's realised income	472,792	-
Gross realised income	472,792	-
Less: Expenses	(42,981)	-
Net distribution amount	429,811	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

6 DISTRIBUTION (CONTINUED)

	Gross/net distribution per unit (sen)			
	GBP Hedged-class GBP	MYR Hedged-class MYR	SGD Hedged-class SGD	USD Class USD
<u>2018</u>				
18.07.2018	<u>0.100</u>	<u>0.100</u>	<u>0.100</u>	<u>0.100</u>

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

The distribution made for the financial year includes an amount of USD472,792 (2017: USD nil) from previous year's realised income.

7 TAXATION

	6 months financial period ended <u>30.11.2018</u> USD	6 months financial period ended <u>30.11.2017</u> USD
Current taxation	<u>-</u>	<u>-</u>

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:

	6 months financial period ended <u>30.11.2018</u> USD	6 months financial period ended <u>30.11.2017</u> USD
Net (loss)/profit before finance cost and taxation	<u>(20,050,391)</u>	<u>7,221,581</u>
Tax at Malaysian statutory rate of 24% (2017: 24%)	(4,812,094)	1,733,179
Tax effects of:		
Investment loss exempted from tax/investment income not subject to tax	4,372,985	(1,865,912)
Expenses not deductible for tax purposes	36,816	23,438
Restriction on tax deductible expenses for Unit Trust Fund	402,293	109,295
Tax expense	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2018</u> USD	<u>2017</u> USD
Designated at fair value through profit or loss at inception		
- collective investment schemes - foreign	172,695,373	92,958,099
- exchange-traded funds - foreign	57,908,618	31,263,339
- exchange-traded funds – local	1,782,102	-
	<u>232,386,093</u>	<u>124,221,438</u>

	<u>2018</u> USD	<u>2017</u> USD
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	1,496,381	143,463
- unrealised (loss)/gain on changes in fair value	(11,711,497)	3,478,624
	<u>(10,215,116)</u>	<u>3,622,087</u>

(a) Collective investment schemes - foreign

(i) Collective investment schemes - foreign as at 30 November 2018 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Affin Hwang USD Cash Fund	674,028	682,318	683,262	0.29
BlackRock Global Funds – Asian Growth Leaders	965,167	21,079,375	17,141,369	7.23
BlackRock Global Funds – Asian Multi-Asset Growth Fund	1,280,924	16,357,662	15,973,120	6.74
BlackRock Global Funds – Asian Tiger Bond Fund	1,811,241	21,647,708	20,213,447	8.53
BlackRock Global Funds – Dynamic High Income Fund	1,290,177	12,491,698	11,985,744	5.06
BlackRock Global Funds – European Special Situations Fund	944,489	13,427,067	12,967,840	5.47
BlackRock Global Funds – Global Corporate Bond Fund	1,621,895	22,695,856	22,301,059	9.40
BlackRock Global Funds – Global High Yield Bond Fund	2,341,749	18,936,717	18,008,053	7.59
BlackRock Global Funds – Global Multi-Asset Income Fund	5,605,612	56,630,834	53,421,479	22.53

NOTES TO THE FINANCIAL STATEMENTS **FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)**

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

(a) Collective investment schemes – foreign (continued)

(i) Collective investment schemes - foreign as at 30 November 2018 are as follows:
(continued)

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Total collective investment schemes - foreign	16,535,282	183,949,235	172,695,373	72.84
Accumulated unrealised loss on collective investment schemes - foreign		(11,253,862)		
Total collective investment schemes - foreign		172,695,373		

(ii) Collective investment schemes - foreign as at 30 November 2017 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
BlackRock Global Funds European Special Situations Fund	936,701	12,978,600	13,507,226	10.50
BlackRock Global Funds – Global Corporate Bond Fund	852,196	11,898,890	12,067,092	9.38
BlackRock Global Funds – Global High Yield Bond Fund	1,539,994	12,487,649	12,520,150	9.73
BlackRock Global Funds –Asian Multi-Asset Growth Fund	2,048,353	25,956,200	27,386,479	21.28
BlackRock Global Funds – Global Multi-Asset Income Fund	2,696,482	27,358,453	27,477,152	21.36
Total collective investment schemes - foreign	8,073,726	90,679,792	92,958,099	72.25
Accumulated unrealised gain on collective investment schemes - foreign		2,278,307		
Total collective investment schemes - foreign		92,958,099		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

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

(b) Exchange-traded-funds - local

(i) Exchange-traded-funds - local as at 30 November 2018 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
TradePlus Shariah Gold Tracker	4,451,000	1,981,609	1,782,102	0.75
Total collective investment schemes	4,451,000	1,981,609	1,782,102	0.75
Accumulated unrealised gain on exchange-traded-funds - loss		(199,507)		
Total exchange-traded-funds - loss		1,782,102		

(ii) There is no exchange-traded-funds - local as at 30 November 2017.

(c) Exchange-traded-funds - foreign

(i) Exchange-traded-funds - foreign as at 30 November 2018 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Ishares Core S&P 500 UCITS	156,874	40,010,104	41,923,008	17.68
IShares MSCI Japan UCITS USD	88,204	13,284,421	12,689,027	5.35
IShares Physical Gold ETC	137,630	3,606,755	3,296,583	1.39
Total collective investment schemes	382,708	56,901,280	57,908,618	24.42
Accumulated unrealised gain on exchange-traded-funds - foreign		1,007,338		
Total exchange-traded-funds - foreign		57,908,618		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)**

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

(c) Exchange-traded-funds – foreign (continued)

(ii) Exchange-traded-funds - foreign as at 30 November 2017 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
IShares MSCI Japan USD Hedged UCITS ETF	66,059	9,440,770	10,192,904	7.92
Ishares Core S&P 500 UCITS ETF	82,961	19,484,961	21,070,435	16.38
Total collective investment schemes	149,020	28,925,731	31,263,339	24.30
Accumulated unrealised gain on exchange-traded-funds - foreign		2,337,608		
Total exchange-traded-funds - foreign		31,263,339		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2018</u> USD	<u>2017</u> USD
Cash and cash equivalents	7,726,666	2,064,212
Deposits with licensed financial institutions	47,827	239,658
	<u>7,774,493</u>	<u>2,303,870</u>

Weighted average effective interest rates per annum and weighted average maturity of deposits with licensed financial institutions are as follows:

	<u>2018</u>	<u>2017</u>
Deposits with licensed financial institutions	3.25	3.05

Deposits with licensed financial institutions of the Fund have an average maturity of 3 days (2017: 4 days).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of unaudited statement of financial position, there are 91 (2017: 119) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD216,503,150 (2017: USD114,280,225). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Australian Dollar, Euro, Great British Pounds, Malaysian Ringgit and Singapore Dollar. As the Fund has not designated the forward contracts as part of a hedging relationship for hedge accounting purpose, the change in the fair value of the forward foreign currency contract is recognised immediately in profit or loss.

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2018</u> No. of units	<u>2017</u> No. of units
At the beginning of the financial period	66,239,000	4,579,000
Creation of units arising from applications during the financial period	5,125,000	25,967,000
Cancellation of units during the financial period	(9,954,000)	(365,000)
At the end of the financial period	<u>61,410,000</u>	<u>30,181,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) EUR Hedged-class units in circulation

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial period	20,000	-
Creation of units arising from applications during the financial period	179,000	-
At the end of the financial period	<u>199,000</u>	<u>-</u>

(c) GBP Hedged-class units in circulation

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial period	43,822,000	-
Creation of units arising from applications during the financial period	2,114,000	16,922,000
Creation of units arising from distributions during the financial period	88,388	-
Cancellation of units during the financial period	(7,985,388)	(40,000)
At the end of the financial period	<u>38,039,000</u>	<u>16,882,000</u>

(d) MYR Hedged-class units in circulation

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial period	1,181,193,000	204,099,000
Creation of units arising from applications during the financial period	81,891,175	401,417,000
Creation of units arising from distribution during the financial period	2,078,825	-
Cancellation of units during the financial period	(86,427,000)	(4,668,000)
At the end of the financial period	<u>1,178,736,000</u>	<u>600,848,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) SGD Hedged-class units in circulation

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial period	47,477,000	873,000
Creation of units arising from applications during the financial period	2,138,963	19,382,000
Creation of units arising from distributions during the financial period	82,037	-
Cancellation of units during the financial period	(11,922,000)	(134,000)
At the end of the financial period	<u>37,776,000</u>	<u>20,121,000</u>

(f) USD Class units in circulation

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial period	39,626,000	4,260,000
Creation of units arising from applications during the financial period	3,295,000	18,127,000
Creation of units arising from distributions during the financial period	73,623	-
Cancellation of units during the financial period	(7,793,623)	(1,148,000)
At the end of the financial period	<u>35,201,000</u>	<u>21,239,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)**

12 TRANSACTIONS WITH BROKERS

(a) Details of transaction with brokers for 6 months financial period ended 30 November 2018 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %	<u>Brokerage</u> <u>fee</u> USD	<u>Percentage of</u> <u>brokerage fee</u> %
BlackRock Investment Management Company #	53,348,990	45.20	-	-
Deutsche Bank (Malaysia) Bhd	24,270,673	20.56	-	-
Macquarie Capital (Europe) Ltd	17,790,655	15.07	17,791	28.15
Sanford C. Bernstein Ltd	6,514,087	5.52	13,028	20.62
Instinet Europe Ltd	6,024,995	5.11	15,062	23.84
Bloomberg Tradebook	5,729,636	4.85	8,594	13.60
Cantor Fitzgerald Europe	4,358,278	3.69	8,717	13.79
	<u>118,037,314</u>	<u>100.00</u>	<u>63,192</u>	<u>100.00</u>

(b) Details of transaction with brokers for 6 months financial period ended 30 November 2017 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %	<u>Brokerage</u> <u>fee</u> USD	<u>Percentage of</u> <u>brokerage fee</u> %
BlackRock Investment Management Company#	69,676,800	72.43	-	-
Bloomberg Tradebook	10,351,793	10.76	12,438	33.82
Cantor Fitzgerald Europe	8,166,026	8.49	16,332	44.41
Macquarie Capital (Europe) Ltd	4,494,222	4.67	4,494	12.22
Macquarie Securities Ltd	3,511,282	3.65	3,511	9.55
	<u>96,200,123</u>	<u>100.00</u>	<u>36,775</u>	<u>100.00</u>

#The transaction with BlackRock Investment Management Company is in relation to purchase BlackRock Global Funds.

The Manager is of the opinion that all transactions with the related companies have been entered into at agreed terms between the related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (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>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad ("ABB")	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager
Director of Affin Hwang Asset Management Berhad	Director of the Manager

The units held by the Manager and party related to the Manager as at the end of the financial period are as follows:

	<u>2018</u>		<u>2017</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- AUD Hedged-class	11,125	4,259	26,520	10,966
- EUR Hedged-class	19,172	10,416	-	-
- GBP Hedged-class	5,460	3,420	10,049	7,014
- MYR Hedged-class	46,089	6,116	69,334	9,734
- SGD Hedged-class	15,006	5,761	30,626	12,550
- USD Class	8,783	4,670	12,804	7,096
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Party related to the Manager:</u>				
Director of Affin Hwang Asset Management Berhad (The units are held beneficially)				
- MYR Hedged-class	389,748	51,720	-	-
- SGD Hedged-class	14,319	5,497	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS **FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)**

14 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended 30.11.2018 %	6 months financial period ended 30.11.2017 %
MER	0.69	0.74

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is USD256,895,499 (2017: USD71,544,426).

15 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended 30.11.2018 %	6 months financial period ended 30.11.2017 %
PTR (times)	0.23	0.67

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = USD49,355,884 (2017: USD94,351,376)
total disposal for the financial period = USD68,622,635 (2017: USD2,203,913)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018 (CONTINUED)

16 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The Committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest and gains on the appreciation in the value of investments in and is derived from collective investment schemes and exchange traded funds in Ireland, Luxembourg, United Kingdom and Malaysia.

There were no changes in the reportable segments during the financial period.

The internal reporting provided to the committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 20 to 55 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2018 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period ended 30 November 2018 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 January 2019

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