



QUARTERLY REPORT
30 November 2022

Affin Hwang World Series – **Emerging Markets Short Duration Fund**

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

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

AFFIN HWANG WORLD SERIES – EMERGING MARKETS SHORT DURATION FUND

Quarterly Report and Financial Statements
As at 30 November 2022

Contents	Page
QUARTERLY REPORT	3
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN NET ASSETS	11

QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Emerging Markets Short Duration Fund	
Fund Type	Income	
Fund Category	Fixed Income (Feeder Wholesale)	
Investment Objective	The Fund aims to provide regular income over the medium to long term period	
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income for respective Classes in the following manner, after the end of its first financial year.	
	Class(es)	Distribution Policy
	USD Class	Monthly basis
	MYR Class	
	MYR Hedged-class	Quarterly basis
	SGD Hedged-class	
	AUD Hedged-class	
	GBP Hedged-class	
	EUR Hedged-class	
RMB Hedged-class		

FUND PERFORMANCE DATA

USD Class

Category	As at 30 Nov 2022	As at 31 Aug 2022
Total NAV (million)	0.003	0.003
NAV per Unit (USD)	0.1669	0.1808
Unit in Circulation (million)	0.019	0.019

MYR class

Category	As at 30 Nov 2022	As at 31 Aug 2022
Total NAV (million)	0.371	0.344
NAV per Unit (RM)	0.1865	0.2017
Unit in Circulation (million)	1.990	1.707

MYR-Hedged class

Category	As at 30 Nov 2022	As at 31 Aug 2022
Total NAV (million)	0.271	0.288
NAV per Unit (RM)	0.1648	0.1793
Unit in Circulation (million)	1.646	1.605

SGD-Hedged class

Category	As at 30 Nov 2022	As at 31 Aug 2022
Total NAV (million)	0.005	0.005
NAV per Unit (SGD)	0.1626	0.1753
Unit in Circulation (million)	0.030	0.028

AUD-Hedged class

Category	As at 30 Nov 2022	As at 31 Aug 2022
Total NAV (million)	0.002	0.002
NAV per Unit (AUD)	0.1538	0.1660
Unit in Circulation (million)	0.011	0.011

RMB-Hedged class

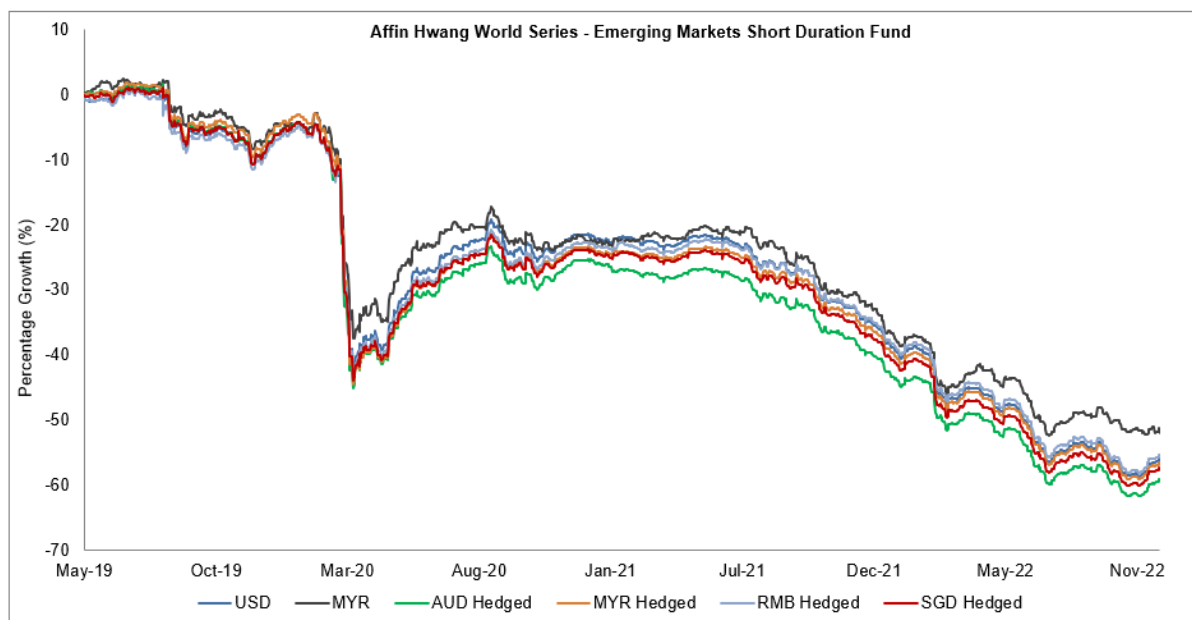
Category	As at 30 Nov 2022	As at 31 Aug 2022
Total NAV (million)	0.015	0.015
NAV per Unit (RMBB)	0.1706	0.1856
Unit in Circulation (million)	0.085	0.081

Fund Performance

Performance as at 30 November 2022

	3 Months (1/9/22 - 30/11/22)	6 Months (1/6/22 - 30/11/22)	1 Year (1/12/21 - 30/11/22)	3 Years (1/12/19 - 30/11/22)	Since Commencement (3/5/19 - 30/11/22)
USD	(5.00%)	(16.24%)	(33.29%)	(51.40%)	(56.00%)
MYR	(5.65%)	(14.90%)	(29.47%)	(48.25%)	(51.91%)
AUD Hedged	(4.61%)	(16.56%)	(33.28%)	(55.02%)	(59.23%)
MYR Hedged	(5.44%)	(16.51%)	(33.13%)	(52.66%)	(56.59%)
RMB Hedged	(5.25%)	(16.22%)	(32.59%)	(50.31%)	(55.36%)
SGD Hedged	(4.58%)	(16.02%)	(33.18%)	(52.98%)	(57.37%)

Movement of the Fund since commencement



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

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

Asset Allocation

Fund's asset mix during the period under review:

	30 November 2022
	(%)
Unit Trust	97.82
Derivative	1.04
Cash & money market	1.14
Total	100.00

Strategies Employed & Investment Outlook

In November the SICAV Short Duration Fund returned positively with a positive alpha contribution of 312 bps for the month. At country level, the main contributors to performance during November were from China, Venezuela and Mexico.

Despite the markets being disappointed with the lack of policy announcements at the 20th Communist Party Congress which took place in October, in the aftermath of the actual congress there has been a flurry of new announcements targeted both at economic stimulus and specific measures to support the Property sector. The key measures were announced in a 16 point directive issued by People's Bank of China (PBoC) followed by a number of measures announce by NAFMII (The National Association of Financial Markets Institutional Investors) focused on improving access for Property developers to both debt and equity capital. Just in the last few days the Chinese Securities regulator rolled out five new measures to facilitate equity financing for developers, opening a financing channel that has been shut to developers for years. Market

reaction has been quite strong, especially among the lower priced distressed property bonds, with some bonds doubling in value.

Venezuela bonds continue to trade well. Although liquidity remains poor, distressed buyers continue to bid for those bonds, with mounting expectations that a political deal could be reached with the US, leading to a removal of the current sanction regimes. During the month we saw the resumption of negotiations between representatives of the government and the opposition in Mexico. This was a key requirement by the US which immediately relaxed some of the restrictions imposed on Chevron regarding its oil activities in Venezuela. The most important relaxation came in the form of approval for Chevron to lift oil from the country for refining in the US. Chevron signed a new agreement with the government focused on repair and maintenance work.

Mexico was the third top performing exposure. The positive contribution comes from a telecom operator, a sector which has underperformed in recent months among LatAm credits. At country level, the only detractor to performance during November was Brazil.

Brazil credits also had a good month, up 4.4% on average which is slightly below the performance of the index. Here it was security selection which resulted in the negative performance, specifically exposure to the concrete sector. Companies in the sector have been faced with strong increases in energy prices at the same time when construction activity has been slowing down.

Market Review

November saw a strong rebound in sentiment towards Emerging Market (EM) debt with both Sovereign and Corporate bonds delivering strong returns during the month. Spreads came in significantly for both investment grade and high yield credit helped by news of Chinese relaxation of its zero Covid policy and more stimulus to help the economy, especially for the Property sector. A strong rally in US Treasuries added further tail wind to the performance.

The broad EM sovereign bond index, the JP Morgan EMBI Global Diversified Index returned +7.59% during November. The index spread was -75 (basis points) bps tighter, finishing the month at a spread of 468 bps. The Investment Grade (IG) part of the sovereign debt index saw the spread tighten -30 bps finishing the month at a spread of 152 bps. The High Yield (HY) part of the sovereign debt index was also tighter by -122 bps, to a spread of 835 bps. The HY part of the index has outperformed the IG part of the index with a total return of +8.96% vs +6.28%. The broad EM corporate credit index, the JP Morgan CEMBI Broad Diversified Index returned +5.29% during November with the index spread tightening -66 basis points (bps) during the month to a spread of 362 bps. The Investment Grade (IG) part of the corporate debt index was -33 bps tighter to a spread of 197 bps. The High Yield (HY) part of the corporate debt index was -108 bps tighter to a spread of 598 bps. The HY part of the index has outperformed the IG part of the index during the month with a total return of +6.70% compared to a return of +4.21% for the IG part.

Sustained inflationary pressures as well as central bank tightening continues to present a headwind to financial markets. Geopolitical instability also contributes to market concerns as friction between Russia and Ukraine persists, causing supply chain disruptions among investor concerns. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As we enter the last quarter of the year, numerous interest rates hikes have taken place over the year. The US Federal Reserve (Fed) has raised the fed funds rate to 4.00% by November 2022 to address inflationary pressures. All eyes will be on the upcoming Fed's policy meeting on the 14 December where a 50-75 basis points (bps) rate hike is widely baked into market expectations. Investors will be keeping a lookout on the Fed' forward commentary to see if there are any signs of a pivot.

In November equity and bond markets recovered from their October lows due to elevated hopes that US inflation may have already peaked, earmarking that the Fed can afford to ease back on its tightening policy. The Standard & Poor (S&P) 500 index climbed 5.4% as core CPI came below consensus forecasts fuelling hopes that the Fed would start to pause its tightening cycle. However, despite the recent gain, the one-year performance shows a negative return of 9.65%. The tech-heavy Nasdaq gauge similarly rose 4.4% in November as bond yields fell.

In the US, core inflation cooled slightly as the 7.7% year-on-year increase was below consensus expectations. Industrial activity slowed in November with a flash PMI contracting to 47.7. Retail sales grew by 1.3%, though there is a gap between negative consumer sentiment and actual consumer behavior. The

unemployment rate rose slightly to 3.7% in October. Eurozone inflation eased to 10.0% year-on-year in November, down from 10.6% in October, although Europe continues to feel the effects of the energy crisis. The eurozone composite PMI rose to 47.8.

In Asia, the broader MSCI Asia ex-Japan soared 18.7% as the US dollar weakened. China stocks rallied with the Shanghai Shenzhen CSI 300 index up 9.8% buoyed by reopening optimism. Beijing announced several new measures to tweak its strict zero-COVID strategy. These include an adjustment of categorisation of COVID risk areas to "high" and "low" - eliminating a "medium" category in a bid to minimise the number of people caught up in control measures. Authorities also shortened the quarantine period by two days and will also end its policy to identify "secondary" close contacts.

November was a better month for global bond markets. Government bond yields were broadly lower. US 10-year yields fell from 4.08% to 3.70%, with the two-year dropping from 4.50% to 4.37%. Germany's 10-year yield dropped from 2.16% to 1.95%. Both US and European high yield and investment grade performed well. Emerging market debt performed positively in local currency terms as well as in USD terms. Commodities had mixed performance including price gains in industrial and precious metals and price drops in energy.

Asia credit market posted a positive return in November. Overall, two-year yields were down 17 bps while 10-year yields were down 44 bps. High yield bonds outperformed investment grade bonds over the month as the overall spreads narrowed to a larger extent in the former, amid a 25 bps RRR cut to inject liquidity in China and positive news on major Chinese banks signing strategic agreements to provide new credit lines to some property developers. From a credit spread perspective, investment grade bonds tightened over the month with sovereign bonds overall tightened as rate sensitive parts of the market fared well. Meanwhile, spreads of IG corporate bonds generally tightened.

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

	Financial period ended <u>30.11.2022</u> USD	Financial period ended <u>30.11.2021</u> USD
INVESTMENT LOSS		
Dividend income	11,928	7,933
Net loss on foreign currency exchange	(29)	(103)
Net loss on forward foreign currency contracts at fair value through profit or loss	(1,709)	(2,512)
Net loss on financial assets at fair value through profit	(36,901)	(34,094)
	<u>(26,711)</u>	<u>(28,776)</u>
EXPENSES		
Management fee	(1,152)	(1,375)
Trustee fee	(47)	(55)
Auditors' remuneration	(923)	(961)
Tax agent's fee	(404)	(420)
Other expenses	(1,061)	(1,532)
	<u>(3,587)</u>	<u>(4,343)</u>
NET LOSS BEFORE FINANCE COST AND TAXATION	(30,298)	(33,119)
FINANCE COST		
Distributions	(11,546)	(7,778)
NET LOSS BEFORE TAXATION	(41,844)	(40,897)
Taxation	221	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(41,623)</u>	<u>(40,897)</u>
Decrease in net asset attributable to unitholders is made up of the following:		
Realised amount	(22,213)	(7,625)
Unrealised amount	(19,410)	(33,272)
	<u>(41,623)</u>	<u>(40,897)</u>

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2022

	<u>2022</u> USD	<u>2021</u> USD
ASSETS		
Cash and cash equivalents	5,605	9,154
Amount due from Manager		
- management fee rebate receivable	154	170
Financial assets at fair value through profit or loss	151,177	157,467
Forward foreign currency contracts at fair value through profit or loss	1,918	67
Tax recoverable	60	-
TOTAL ASSETS	<u>158,914</u>	<u>166,858</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	310	515
Amount due to Manager		
- management fee	182	206
- cancellation of units	-	1,918
Amount due to Trustee	7	8
Auditors' remuneration	939	955
Tax agent's fee	1,199	1,250
Other payable and accruals	1,730	1,512
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>4,367</u>	<u>6,364</u>
NET ASSET VALUE OF THE FUND	<u>154,547</u>	<u>160,494</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>154,547</u>	<u>160,494</u>

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2022 (CONTINUED)

	<u>2022</u> USD	<u>2021</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	1,137	2,072
- MYR Class	83,539	29,314
- MYR Hedged-class	61,081	114,656
- RMB Hedged-class	2,050	4,278
- SGD Hedged-class	3,568	5,305
- USD Class	3,172	4,869
	<u>154,547</u>	<u>160,494</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	11,000	11,000
- MYR Class	1,990,000	411,000
- MYR Hedged-class	1,646,000	1,705,000
- RMB Hedged-class	85,000	94,000
- SGD Hedged-class	30,000	26,000
- USD Class	19,000	17,000
	<u>3,781,000</u>	<u>2,264,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.1034	0.1884
- MYR Class	0.0420	0.0713
- MYR Hedged-class	0.0371	0.0672
- RMB Hedged-class	0.0241	0.0455
- SGD Hedged-class	0.1189	0.2040
- USD Class	0.1669	0.2864
	<u>0.1669</u>	<u>0.2864</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.1538	AUD0.2644
- MYR Class	RM0.1865	RM0.2997
- MYR Hedged-class	RM0.1648	RM0.2826
- RMB Hedged-class	RMB0.1706	RMB0.2902
- SGD Hedged-class	SGD0.1626	SGD0.2787
- USD Class	USD0.1669	USD0.2864
	<u>USD0.1669</u>	<u>USD0.2864</u>

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2022

	Financial period ended <u>30.11.2022</u> USD	Financial period ended <u>30.11.2021</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	176,217	217,677
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	19,666	40,308
- AUD Hedged-class	274	388
- MYR Class	17,329	33,509
- MYR Hedged-class	1,104	5,257
- RMB Hedged-class	1	318
- SGD Hedged-class	397	-
- USD Class	561	836
Creation of units arising from distributions	7,236	3,195
- AUD Hedged-class	97	111
- MYR Class	5,820	1,094
- MYR Hedged-class	625	1,277
- RMB Hedged-class	168	190
- SGD Hedged-class	269	293
- USD Class	257	230
Cancellation of units	(6,949)	(59,789)
- AUD Hedged-class	(389)	(963)
- MYR Class	(12)	(35,059)
- MYR Hedged-class	(5,894)	(20,843)
- RMB Hedged-class	(61)	(164)
- SGD Hedged-class	(167)	(1,678)
- USD Class	(426)	(1,082)
Net (decrease)/increase in net assets attributable to unitholders during the financial period	(41,623)	(40,897)
- AUD Hedged-class	(421)	(792)
- MYR Class	(20,024)	(5,479)
- MYR Hedged-class	(18,678)	(30,871)
- RMB Hedged-class	(711)	(910)
- SGD Hedged-class	(907)	(1,701)
- USD Class	(882)	(1,144)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	154,547	160,494

AHAM Asset Management Berhad

(Formerly known as Affin Hwang Asset Management Berhad)
Registration No: 199701014290 (429786-T)

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.
Toll Free Number: 1800 88 7080 T: +603 2116 6000 F: +603 2116 6100
www.aham.com.my