



**QUARTERLY REPORT**  
30 November 2023

# **Affin Hwang World Series – China A Opportunity Fund**

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**Built On Trust**

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# AFFIN HWANG WORLD SERIES – CHINA A OPPORTUNITY FUND

## Quarterly Report and Financial Statements As at 30 November 2023

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## QUARTERLY REPORT

### FUND INFORMATION

Fund Name	AHAM World Series – China A Opportunity Fund (Formerly known as Affin Hwang World Series – China A Opportunity Fund)
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period
Benchmark	MSCI China A Onshore
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

### FUND PERFORMANCE DATA

#### USD Class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	20.406	24.382
NAV per Unit (USD)	0.4771	0.4926
Unit in Circulation (million)	42.770	49.495

#### AUD-Hedged Class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	24.969	27.453
NAV per Unit (AUD)	0.4362	0.4529
Unit in Circulation (million)	57.236	60.610

#### MYR-Hedged Class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	594.692	645.618
NAV per Unit (RM)	0.4689	0.4884
Unit in Circulation (million)	1268.327	1321.955

#### MYR Class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	155.678	170.150
NAV per Unit (RM)	0.5410	0.5559
Unit in Circulation (million)	287.746	306.083

## SGD-Hedged Class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	18.616	20.210
NAV per Unit (SGD)	0.4497	0.4668
Unit in Circulation (million)	41.395	43.300

## Fund Performance

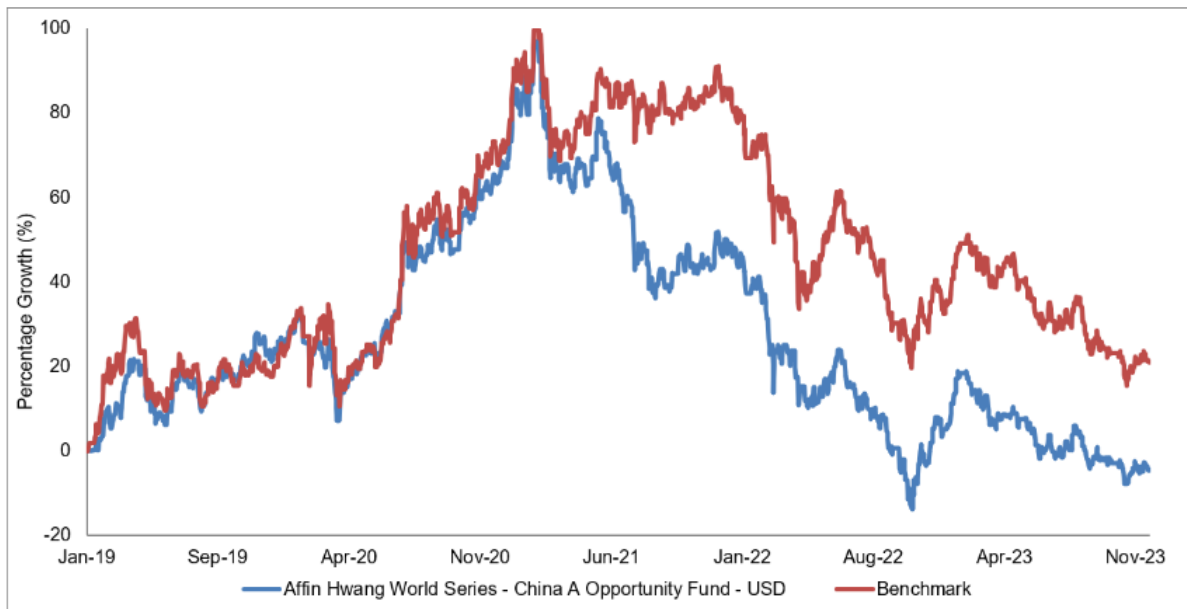
### USD Class

Performance as at 30 November 2023

	3 Months (1/9/23 - 30/11/23)	6 Months (1/6/23 - 30/11/23)	1 Year (1/12/22 - 30/11/23)	3 Years (1/12/20 - 30/11/23)	Since Commencement (29/1/19 - 30/11/23)
Fund	(2.89%)	(2.77%)	(4.43%)	(40.63%)	(4.58%)
Benchmark	(3.65%)	(7.04%)	(8.92%)	(28.03%)	20.85%
Outperformance	0.76%	4.27%	4.49%	(12.60%)	(25.43%)

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



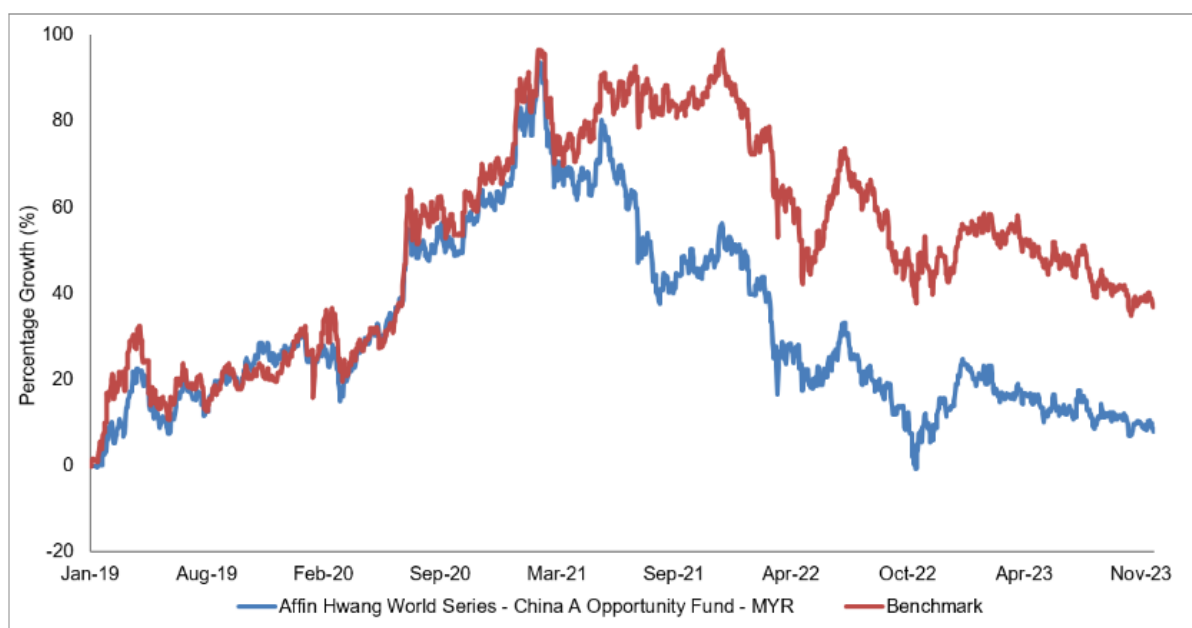
## MYR Class

Performance as at 30 November 2023

	3 Months (1/9/23 - 30/11/23)	6 Months (1/6/23 - 30/11/23)	1 Year (1/12/22 - 30/11/23)	3 Years (1/12/20 - 30/11/23)	Since Commencement (29/1/19 - 30/11/23)
Fund	(2.42%)	(1.74%)	0.24%	(32.08%)	8.20%
Benchmark	(3.16%)	(6.03%)	(4.43%)	(17.62%)	37.21%
Outperformance	0.74%	4.29%	4.67%	(14.46%)	(29.01%)

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



## AUD Hedged-Class

Performance as at 30 November 2023

	3 Months (1/9/23 - 30/11/23)	6 Months (1/6/23 - 30/11/23)	1 Year (1/12/22 - 30/11/23)	3 Years (1/12/20 - 30/11/23)	Since Commencement (29/1/19 - 30/11/23)
Fund	(3.43%)	(3.98%)	(7.07%)	(43.85%)	(12.76%)
Benchmark	(5.62%)	(9.01%)	(7.46%)	(19.84%)	31.11%
Outperformance	2.19%	5.03%	0.39%	(24.01%)	(43.87%)

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



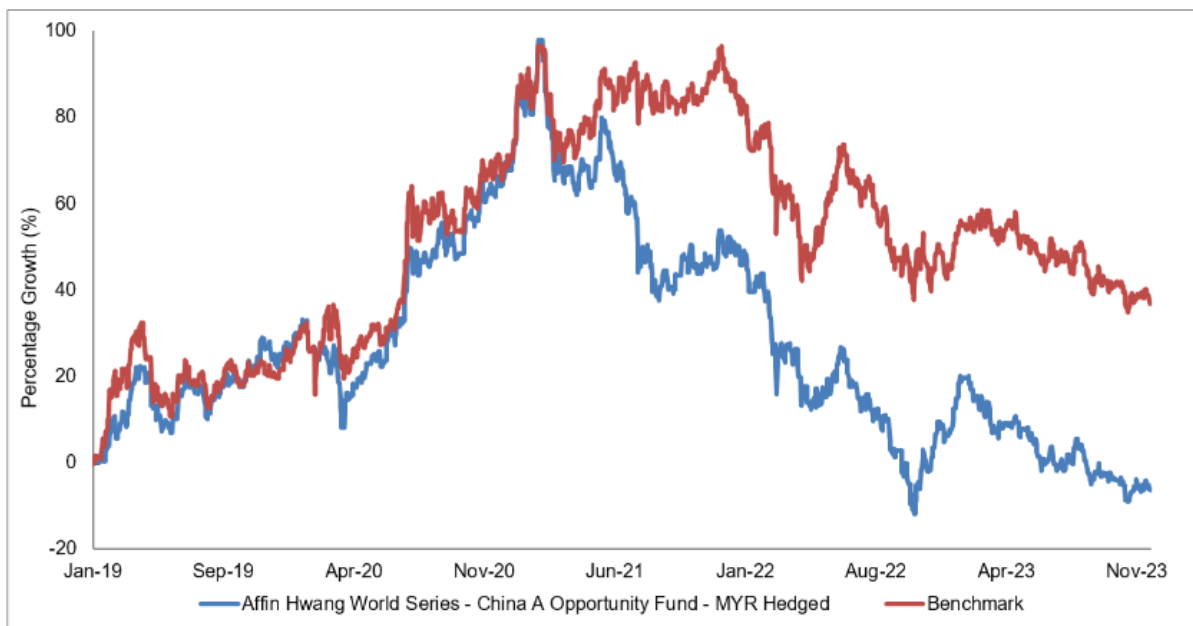
## MYR Hedged-Class

Performance as at 30 November 2023

	3 Months (1/9/23 - 30/11/23)	6 Months (1/6/23 - 30/11/23)	1 Year (1/12/22 - 30/11/23)	3 Years (1/12/20 - 30/11/23)	Since Commencement (29/1/19 - 30/11/23)
Fund	(3.72%)	(4.50%)	(7.37%)	(41.90%)	(6.22%)
Benchmark	(3.16%)	(6.03%)	(4.43%)	(17.62%)	37.21%
Outperformance	(0.56%)	1.53%	(2.94%)	(24.28%)	(43.43%)

Source of Benchmark: Bloomberg

### Movement of the Fund versus the Benchmark



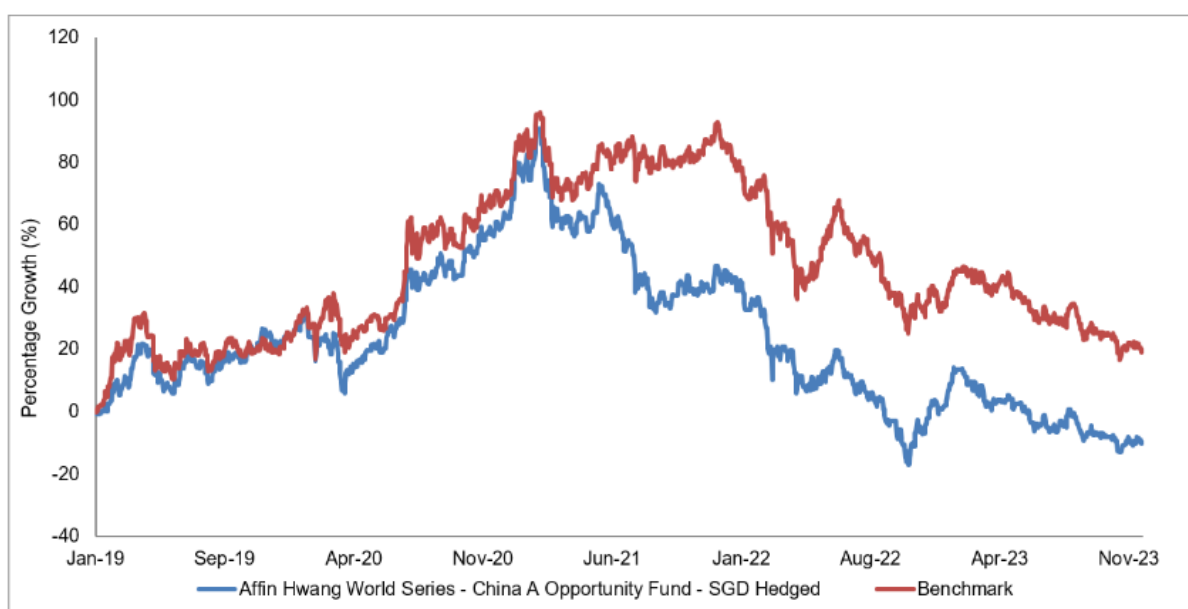
## SGD Hedged-Class

Performance as at 30 November 2023

	3 Months (1/9/23 - 30/11/23)	6 Months (1/6/23 - 30/11/23)	1 Year (1/12/22 - 30/11/23)	3 Years (1/12/20 - 30/11/23)	Since Commencement (29/1/19 - 30/11/23)
Fund	(3.39%)	(3.87%)	(6.21%)	(42.35%)	(10.06%)
Benchmark	(4.70%)	(8.31%)	(11.02%)	(28.13%)	19.45%
Outperformance	1.31%	4.44%	4.81%	(14.22%)	(29.51%)

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



*"This information is prepared by AHAM 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. Source of Benchmark is from Bloomberg."*

Benchmark: MSCI China A Onshore Index

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

## Asset Allocation

Fund's asset mix during the period under review:

	30 November 2023 (%)
Unit Trust	97.86
Derivative	-1.12
Cash & money market	3.26
Total	100.00



## **Strategies Employed**

The Manager tend not to overly focus on short-term periods of pullbacks in the market –our objective remains to deliver strong long-term returns and to take advantage of such volatility, and Target Fund Manager have demonstrated this ability over the history of managing the funds. The Manager focus on companies which have the consistent ability to deliver on the earnings front. As part of the disciplined investment approach, the Manager avoided rushing into sectors and names where valuations were overextended, and instead, have been deploying cash into high-quality companies. Overall, global investors' allocation to Chinese equities will probably remain strong, and short-term volatility provides an opportunity to buy the quality names at better prices.

## **Market Review**

Over the three months, the global economy experienced a mix of challenges and recoveries. In September, the resilience of the US economy led to increased bond yields, pressuring equity valuations and widening credit spreads. Gold futures and global equities, especially in the US, suffered significant losses. In October, the continued rise in bond yields negatively affected global equities, with the MSCI ACWI Index and Bloomberg US Treasury Total Return Index declining for the third consecutive month. Geopolitical tensions, signified by the outbreak of war between Hamas and Israel, increased the demand for gold as a haven asset. However, the month of November saw a positive shift, with signs of cooling economic and inflation data and the end of the Federal Reserve's tightening cycle leading to a significant market upswing, the best since November 2020. Yield curves steepened, and credit spreads tightened, indicating a shift in investor sentiment and market dynamics.

The MSCI Asia ex Japan index too experienced fluctuations over the three months. In September, the index fell by 2.7%, primarily due to concerns over Fed rate hikes and long-term high rates, with Thailand and Hong Kong being the most affected markets. In October, the index dropped further by 3.9%, with Indonesia and Korea notably underperforming due to their respective economic challenges. China's performance initially lagged but improved later in the month, buoyed by stabilizing measures and improved macroeconomic data. November marked a turnaround, with the index rising by 7%, reflecting a shift in investor sentiment from concerns about higher-for-longer interest rates to hopes of a soft landing in the US. The positive outcomes of high-level meetings, such as the Xi-Biden meeting, and policy measures in Beijing played a significant role in shaping market dynamics.

China A market performance varied over the period. In September, performance was muted ahead of the national holiday, with overall sentiment weak in Q3. Positive macroeconomic data provided some support, as did the People's Bank of China's efforts to boost liquidity. October saw a decline in China A-shares, despite Q3 GDP growth and supportive measures from the authorities. Investor sentiments remained cautious, with the manufacturing sector showing signs of fragility. However, towards the end of the month, high-level dialogues and potential diplomatic meetings helped improve sentiments. In November, China A equities saw a slight increase. The Xi-Biden meeting and various policy measures had mixed impacts on the market. Economic indicators showed improvements in retail sales and industrial production, but fixed investment was weaker than expected, reflecting the complex and nuanced economic landscape.

## **Investment Outlook**

The Fund is currently overweight in consumer staples, healthcare, financials and consumer discretionary. The target fund manager believes from a long-term perspective, there are long term drivers supporting the structural growth within the financials and healthcare sectors. They also believe banks would outperform when the economy stabilizes or when sentiment improves.

We have seen continuous easing of policy in recent months as the government has acknowledged the current economic challenges. However, in spite of the increased support to boost growth, valuations remain unjustifiably low. In the near term, Target Fund Manager believe current valuations have already accounted for market pessimism and there is a higher chance for a meaningful rebound rather than downside surprises. In the long term, Target Fund Manager note that China is in a different growth stage and economic environment, facing considerable challenges, but it remains on a growth trajectory with sizeable investment potential.

If the past is any indication, we have witnessed that China has been able to avert any crises. China is still home to a large number of high-quality companies. Some of them have made breakthroughs in expanding their businesses overseas. These companies are no longer producing low-end processing trade products or

primary processed goods, but successfully competing with well-established global brands in international markets. They are adapting to the various external challenges in this volatile environment, and continue to invest in technology and R&D (research and development), control costs and grow their market share. As bottom-up investors, Target Fund Manager continue to believe that Chinese equity markets hold significant opportunities for active investing

## AFFIN HWANG WORLD SERIES – CHINA A OPPORTUNITY FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

	Financial period ended <u>30.11.2023</u> USD	Financial period ended <u>30.11.2022</u> USD
<b>INVESTMENT LOSS</b>		
Interest income from financial assets at amortised cost	4,377	2,934
Net (loss)/gain on foreign currency exchange	(9,534)	9,435
Net loss on forward foreign currency contracts at fair value through profit or loss	(3,750,098)	(5,609,014)
Net loss on financial assets at fair value through profit or loss	(4,017,366)	(34,895,350)
	<u>(7,772,621)</u>	<u>(40,491,995)</u>
<b>EXPENSES</b>		
Management fee	(2,136,769)	(2,406,339)
Trustee fee	(69,329)	(78,058)
Fund accounting fee	(1,499)	(1,544)
Auditors' remuneration	(883)	(923)
Tax agent's fee	(387)	(404)
Other expenses	(5,591)	(3,956)
	<u>(2,214,458)</u>	<u>(2,491,224)</u>
<b>NET LOSS BEFORE TAXATION</b>	(9,987,079)	(42,983,219)
Taxation	-	-
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER</b>	<u>(9,987,079)</u>	<u>(42,983,219)</u>
Decrease of net asset attributable to unitholders is made up of the following:		
Realised amount	(19,976,889)	(20,139,406)
Unrealised amount	9,989,810	(22,843,813)
	<u>(9,987,079)</u>	<u>(42,983,219)</u>

## AFFIN HWANG WORLD SERIES – CHINA A OPPORTUNITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

	<u>2023</u> USD	<u>2022</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	7,465,455	7,489,137
Amount due from Manager		
- creation of units	-	300,425
- management fee rebate receivable	273,038	289,415
Financial assets at fair value through profit or loss	207,394,463	231,090,193
Forward foreign currency contracts at fair value through profit or loss	380,870	2,096,658
<b>TOTAL ASSETS</b>	<u>215,513,826</u>	<u>241,265,828</u>
<b>LIABILITIES</b>		
Forward foreign currency contracts at fair value through profit or loss	2,746,092	1,652,064
Amount due to Manager		
- management fee	322,483	341,970
- cancellation of units	503,296	77,507
Amount due to Trustee	10,459	11,091
Fund accounting fee	250	-
Auditors' remuneration	883	939
Tax agent's fee	1,137	1,199
Other payables and accruals	88	(25)
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)</b>	<u>3,584,688</u>	<u>2,084,745</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>211,929,138</u>	<u>239,181,083</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>211,929,138</u>	<u>239,181,083</u>

## AFFIN HWANG WORLD SERIES – CHINA A OPPORTUNITY FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023 (CONTINUED)

	<u>2023</u> USD	<u>2022</u> USD
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- AUD Hedged-class	16,520,372	18,109,615
- MYR Class	33,414,498	37,741,170
- MYR Hedged-class	127,643,734	142,229,371
- SGD Hedged-class	13,944,170	14,669,637
- USD Class	20,406,364	26,431,290
	<u>211,929,138</u>	<u>239,181,083</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- AUD Hedged-class	57,236,000	57,382,000
- MYR Class	287,746,000	310,616,000
- MYR Hedged-class	1,268,327,000	1,248,038,000
- SGD Hedged-class	41,395,000	41,840,000
- USD Class	42,770,000	52,945,000
	<u>1,697,474,000</u>	<u>1,710,821,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- AUD Hedged-class	0.2886	0.3156
- MYR Class	0.1161	0.1215
- MYR Hedged-class	0.1006	0.1140
- SGD Hedged-class	0.3369	0.3506
- USD Class	0.4771	0.4992
	<u>0.2886</u>	<u>0.3156</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD Hedged-class	AUD0.4362	AUD0.4694
- MYR Class	RM0.5410	RM0.5397
- MYR Hedged-class	RM0.4689	RM0.5062
- SGD Hedged-class	SGD0.4497	SGD0.4795
- USD Class	USD0.4771	USD0.4992
	<u>AUD0.4362</u>	<u>AUD0.4694</u>

## AFFIN HWANG WORLD SERIES – CHINA A OPPORTUNITY FUND

### UNAUDITED STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

	Financial period ended <u>30.11.2023</u> USD	Financial period ended <u>30.11.2022</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	239,516,825	286,833,250
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	5,469,950	9,379,020
- AUD Hedged-class	219,344	259,365
- MYR Class	2,084,814	3,530,094
- MYR Hedged-class	2,632,150	4,682,399
- SGD Hedged-class	95,499	430,403
- USD Class	438,143	476,759
Cancellation of units	(23,070,558)	(14,047,968)
- AUD Hedged-class	(1,546,189)	(454,980)
- MYR Class	(4,070,415)	(4,766,301)
- MYR Hedged-class	(10,649,684)	(6,633,023)
- SGD Hedged-class	(1,256,819)	(338,832)
- USD Class	(5,547,451)	(1,854,832)
Decrease in net assets attributable to unitholders during the financial period	(9,987,079)	(42,983,219)
- AUD Hedged-class	(358,645)	(4,518,996)
- MYR Class	(990,595)	(6,141,194)
- MYR Hedged-class	(7,661,955)	(25,848,355)
- SGD Hedged-class	(340,304)	(2,330,438)
- USD Class	(635,580)	(4,144,236)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>211,929,138</u>	<u>239,181,083</u>

**AHAM Asset Management Berhad**

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