



QUARTERLY REPORT
30 November 2023

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

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

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

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AFFIN HWANG WORLD SERIES – EMERGING MARKETS SHORT DURATION FUND

Quarterly Report and Financial Statements As at 30 November 2023

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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 2023 | As at 31 Aug 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (million) | 0.011 | 0.010 |
| NAV per Unit (USD) | 0.1863 | 0.1707 |
| Unit in Circulation (million) | 0.058 | 0.057 |

MYR class

| Category | As at 30 Nov 2023 | As at 31 Aug 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (million) | 0.697 | 0.338 |
| NAV per Unit (RM) | 0.2180 | 0.1993 |
| Unit in Circulation (million) | 3.197 | 1.696 |

MYR-Hedged class

| Category | As at 30 Nov 2023 | As at 31 Aug 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (million) | 0.555 | 0.771 |
| NAV per Unit (RM) | 0.1765 | 0.1632 |
| Unit in Circulation (million) | 3.146 | 4.726 |

SGD-Hedged class

| Category | As at 30 Nov 2023 | As at 31 Aug 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (million) | 0.005 | 0.005 |
| NAV per Unit (SGD) | 0.1769 | 0.1637 |
| Unit in Circulation (million) | 0.031 | 0.031 |

AUD-Hedged class

| Category | As at 30 Nov 2023 | As at 31 Aug 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (million) | 0.002 | 0.002 |
| NAV per Unit (AUD) | 0.1649 | 0.1535 |
| Unit in Circulation (million) | 0.011 | 0.011 |

RMB-Hedged class

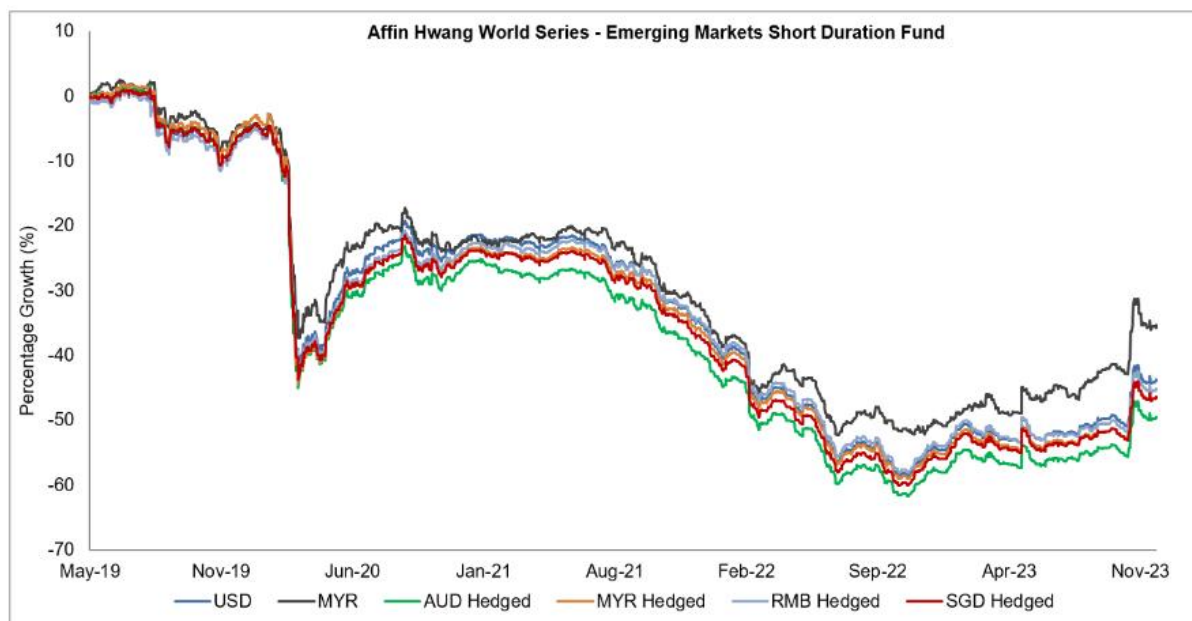
| Category | As at 30 Nov 2023 | As at 31 Aug 2023 |
|-------------------------------|----------------------|----------------------|
| Total NAV (million) | 0.037 | 0.016 |
| NAV per Unit (RMBB) | 0.1817 | 0.1681 |
| Unit in Circulation (million) | 0.203 | 0.093 |

Fund Performance

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 (3/5/19 - 30/11/23) |
|------------|------------------------------------|------------------------------------|-----------------------------------|------------------------------------|---|
| USD | 12.01% | 19.00% | 27.99% | (26.70%) | (43.68%) |
| MYR | 12.52% | 20.46% | 34.45% | (15.98%) | (35.34%) |
| AUD Hedged | 10.22% | 16.65% | 23.93% | (30.53%) | (49.47%) |
| MYR Hedged | 10.96% | 16.46% | 23.61% | (28.36%) | (46.34%) |
| RMB Hedged | 10.66% | 16.03% | 22.91% | (27.48%) | (45.13%) |
| SGD Hedged | 10.92% | 17.40% | 25.76% | (28.08%) | (46.39%) |

Movement of the Fund since commencement



"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."

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 | 98.02 |
| Derivative | 0.37 |
| Cash & money market | 1.61 |
| Total | 100.00 |

Strategies Employed

The Target Fund mainly seek to access the returns available from short term Emerging Market Transferable Securities which are debt in nature and other instruments issued by sovereigns, quasi-sovereigns and corporates denominated exclusively in USD and Hard Currency.

Market Review

In October, the rise in US Treasury yields exerted substantial pressure on EM bonds, especially on the Emerging Market sovereign and corporate credit indices. The JP Morgan EMBI Global Diversified Index, representing EM sovereign bonds, returned -1.40%, with spreads widening slightly. The Investment Grade (IG) part of the index saw a modest spread increase to 130 basis points (bps), while the High Yield (HY)

part widened to 792 bps. Despite wider spreads, HY outperformed IG in terms of total return. The corporate counterpart, the JP Morgan CEMBI Broad Diversified Index, experienced a similar trend, returning -1.2% with IG and HY spreads widening to 178 bps and 553 bps, respectively. Both IG and HY corporate segments registered equal total returns. Notably, the SICAV Short Duration Fund outperformed its benchmark significantly, achieving a positive alpha of 16.64%, primarily due to beneficial geopolitical developments affecting Venezuelan bonds.

November marked a robust turnaround, with US Treasury yields retracting sharply by up to 60 bps, heralding a strong recovery for EM fixed income. The JP Morgan EMBI Global Diversified Index surged, returning +5.66%, driven by spread contractions in both IG and HY segments. The HY component marginally outdid IG, reflecting a broader trend of narrowing spreads across the board. The corporate sector, as measured by the JP Morgan CEMBI Broad Diversified Index, also rallied, gaining +3.64%. However, in this sector, IG slightly outperformed HY in terms of total return. Contrasting its October performance, the SICAV Short Duration Fund underperformed in November, with a negative alpha of 3.73%, attributed to profit-taking in Venezuelan bonds post the previous month's rally triggered by easing US sanctions.

Investment Outlook

Venezuela was the top contributor in the month of November with the Petroleos de Venezuela, S.A (PDVSA) 2020 (PDVSA) 2020 bonds trading as high as 85cents. After such a strong rally some profit taking was expected and we saw bonds in November trading down to mid-70s. Target Fund Manager remain confident that the potential for recovery in those bonds remains significantly higher and continue to hold the bonds expecting further price appreciation in early 2024. The rally in prices last month comes on the back of successful negotiations between government and opposition representatives in Barbados which resulted in a political agreement to organise free and fair elections in Venezuela in 2024. This satisfied the US Administration, which announced a broad license temporarily authorising transactions involving the oil and gas from Venezuela, that in effect allows Venezuelan oil to flow back in the international markets. Moreover, the US also removed the ban on secondary trading of Venezuelan bonds by US persons, prompting many US based brokers and investors to start participating in the market for Venezuela and PDVSA debt again and creating a sudden demand for the bonds.

The PDVSA 2020 bonds, which is collateralised with CitGo share, has rallied more than any other bond, trading as high as 85 cents. Given trading restrictions on the bonds are now gone, JP Morgan put all the Venezuelan bonds on a three-month index watch observation period for their EMBI index, which is likely to result in the bonds having the weighting in the index reinstated, which would result in further increased secondary market demand.

Lebanon was the second top detractor in the fund during November with a small negative of 33 bps. The sovereign bonds there, which are already in default and trading at highly distressed levels have remained range bound despite the strong performance elsewhere. The conflict between Israel and Hamas in Gaza remains localised but investors may be nervous of the possibility of this expanding in the North as well. Sporadic cross border exchanges of fire between Hezbollah forces and the Israel Defense Forces (IDF) continue but it appears to us neither side seems to be keen on an escalation of the conflict.

China was the third detractor in November with a negative contribution of only 20 bps. But despite the market remaining weak, there were several positive announcements made by Chinese authorities which in Target Fund Manager view, are likely to stabilise market sentiment into year end. It was announced that the regulators are drafting a list of fifty developers eligible for a range of financing, including bank loans, bonds and equity. It was also reported that banks were encouraged to offer unsecured short-term loans to eligible developers as working capital for the first time.

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION 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 |
|--|---|---|
| INVESTMENT INCOME/(LOSS) | | |
| Dividend income | 16,515 | 11,928 |
| Net loss on foreign currency exchange | (1,210) | (29) |
| Net loss on forward foreign currency contracts at fair value through profit or loss | (3,309) | (1,709) |
| Net gain/(loss) on financial assets at fair value through profit | 23,401 | (36,901) |
| | <u>35,397</u> | <u>(26,711)</u> |
| EXPENSES | | |
| Management fee | (1,589) | (1,152) |
| Trustee fee | (65) | (47) |
| Auditors' remuneration | (883) | (923) |
| Tax agent's fee | (387) | (404) |
| Other expenses | (2,916) | (1,061) |
| | <u>(5,840)</u> | <u>(3,587)</u> |
| NET PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION | 29,557 | (30,298) |
| FINANCE COST | | |
| Distributions | (12,828) | (11,546) |
| NET PROFIT/(LOSS) BEFORE TAXATION | 16,729 | (41,844) |
| Taxation | - | 221 |
| INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | <u>16,729</u> | <u>(41,623)</u> |
| Increase/(decrease) in net asset attributable to unitholders is made up of the following: | | |
| Realised amount | (64,202) | (22,213) |
| Unrealised amount | 80,931 | (19,410) |
| | <u>16,729</u> | <u>(41,623)</u> |

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

| | <u>2023</u> USD | <u>2022</u> USD |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and cash equivalents | 8,571 | 5,605 |
| Amount due from Manager | | |
| - management fee rebate receivable | 269 | 154 |
| Financial assets at fair value through profit or loss | 284,313 | 151,177 |
| Forward foreign currency contracts at fair value through profit or loss | 1,075 | 1,918 |
| Tax recoverable | 138 | 60 |
| TOTAL ASSETS | <u>294,366</u> | <u>158,914</u> |
| LIABILITIES | | |
| Forward foreign currency contracts at fair value through profit or loss | - | 310 |
| Amount due to Manager | | |
| - management fee | 327 | 182 |
| - cancellation of units | 226 | - |
| Amount due to Trustee | 13 | 7 |
| Auditors' remuneration | 883 | 939 |
| Tax agent's fee | 1,137 | 1,199 |
| Other payable and accruals | 1,730 | 1,730 |
| TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS) | <u>4,316</u> | <u>4,367</u> |
| NET ASSET VALUE OF THE FUND | <u>290,050</u> | <u>154,547</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | <u>290,050</u> | <u>154,547</u> |

AFFIN HWANG WORLD SERIES – EMERGING MARKET SHORT DURATION FUND

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

| | <u>2023</u> USD | <u>2022</u> USD |
|--|--------------------|--------------------|
| REPRESENTED BY: | | |
| FAIR VALUE OF OUTSTANDING UNITS | | |
| - AUD Hedged-class | 1,200 | 1,137 |
| - MYR Class | 149,607 | 83,539 |
| - MYR Hedged-class | 119,172 | 61,081 |
| - RMB Hedged-class | 5,159 | 2,050 |
| - SGD Hedged-class | 4,108 | 3,568 |
| - USD Class | 10,804 | 3,172 |
| | <u>290,050</u> | <u>154,547</u> |
| NUMBER OF UNITS IN CIRCULATION | | |
| - AUD Hedged-class | 11,000 | 11,000 |
| - MYR Class | 3,197,000 | 1,990,000 |
| - MYR Hedged-class | 3,146,000 | 1,646,000 |
| - RMB Hedged-class | 203,000 | 85,000 |
| - SGD Hedged-class | 31,000 | 30,000 |
| - USD Class | 58,000 | 19,000 |
| | <u>6,646,000</u> | <u>3,781,000</u> |
| NET ASSET VALUE PER UNIT (USD) | | |
| - AUD Hedged-class | 0.1091 | 0.1034 |
| - MYR Class | 0.0468 | 0.0420 |
| - MYR Hedged-class | 0.0379 | 0.0371 |
| - RMB Hedged-class | 0.0254 | 0.0241 |
| - SGD Hedged-class | 0.1325 | 0.1189 |
| - USD Class | 0.1863 | 0.1669 |
| | <u>0.1863</u> | <u>0.1669</u> |
| NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES | | |
| - AUD Hedged-class | AUD0.1649 | AUD0.1538 |
| - MYR Class | RM0.2180 | RM0.1865 |
| - MYR Hedged-class | RM0.1765 | RM0.1648 |
| - RMB Hedged-class | RMB0.1817 | RMB0.1706 |
| - SGD Hedged-class | SGD0.1769 | SGD0.1626 |
| - USD Class | USD0.1863 | USD0.1669 |
| | <u>USD0.1863</u> | <u>USD0.1669</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 2023

| | Financial period ended 30.11.2023 USD | Financial period ended 30.11.2022 USD |
|--|--|--|
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD | 170,557 | 176,217 |
| Movement due to units created and cancelled during the financial period: | | |
| Creation of units arising from applications | 374,870 | 19,666 |
| - AUD Hedged-class | 228 | 274 |
| - MYR Class | 222,162 | 17,329 |
| - MYR Hedged-class | 148,451 | 1,104 |
| - RMB Hedged-class | 2,881 | 1 |
| - SGD Hedged-class | 451 | 397 |
| - USD Class | 697 | 561 |
| Creation of units arising from distributions | 2,713 | 7,236 |
| - AUD Hedged-class | 23 | 97 |
| - MYR Class | 1,394 | 5,820 |
| - MYR Hedged-class | 978 | 625 |
| - RMB Hedged-class | 45 | 168 |
| - SGD Hedged-class | 76 | 269 |
| - USD Class | 197 | 258 |
| Cancellation of units | (274,819) | (6,949) |
| - AUD Hedged-class | (248) | (389) |
| - MYR Class | (164,675) | (12) |
| - MYR Hedged-class | (109,057) | (5,894) |
| - RMB Hedged-class | (51) | (61) |
| - SGD Hedged-class | (402) | (167) |
| - USD Class | (386) | (426) |
| Net increase/(decrease) in net assets attributable to unitholders during the financial period | 16,729 | (41,623) |
| - AUD Hedged-class | 112 | (421) |
| - MYR Class | (485) | (20,024) |
| - MYR Hedged-class | 15,528 | (18,678) |
| - RMB Hedged-class | 158 | (711) |
| - SGD Hedged-class | 391 | (907) |
| - USD Class | 1,025 | (882) |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD | 290,050 | 154,547 |

AHAM 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

aham.com.my