



QUARTERLY REPORT

30 November 2023

Affin Hwang World Series – Global Target Return Fund

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee Berhad
(313031-A)

Built On Trust

aham.com.my

AFFIN HWANG WORLD SERIES – GLOBAL TARGET RETURN 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 – Global Target Return Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period
Benchmark	USD LIBOR 3 Months
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)	0.007	0.007
NAV per Unit (USD)	0.5658	0.5530
Unit in Circulation (million)	0.012	0.012

MYR-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	1.675	1.696
NAV per Unit (RM)	0.5662	0.5574
Unit in Circulation (million)	2.958	3.042

SGD-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	0.371	0.364
NAV per Unit (SGD)	0.5243	0.5148
Unit in Circulation (million)	0.708	0.708

AUD-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	0.161	0.250
NAV per Unit (AUD)	0.5351	0.5254
Unit in Circulation (million)	0.301	0.476

GBP-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	0.548	0.640
NAV per Unit (GBP)	0.5152	0.5043
Unit in Circulation (million)	1.064	1.270

EUR-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	0.012	0.012
NAV per Unit (EUR)	0.4427	0.4350
Unit in Circulation (million)	0.028	0.028

RMB-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	0.036	0.036
NAV per Unit (RMB)	0.5514	0.5413
Unit in Circulation (million)	0.066	0.066

HKD-Hedged class

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	0.001	0.001
NAV per Unit (HKD)	0.2252	0.2205
Unit in Circulation (million)	0.003	0.003

Performance as at 30 November 2023

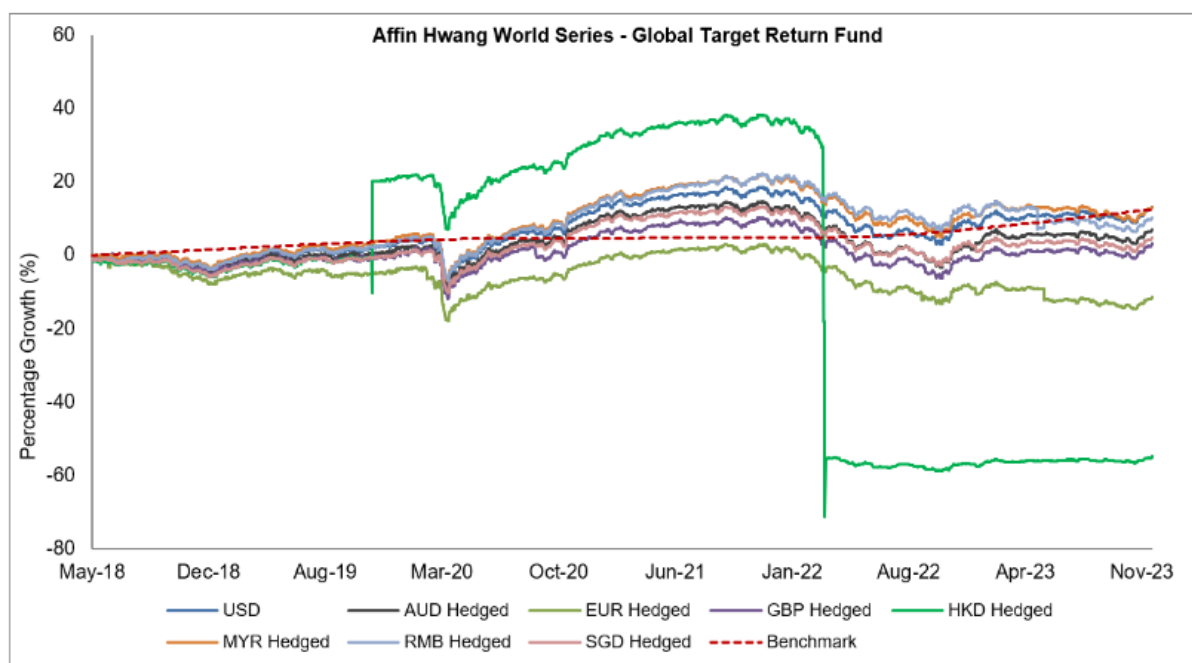
	3 Months (1/9/23 - 30/11/23)	6 Months (1/6/23 - 30/11/23)	1 Year (1/12/22 - 30/11/23)	3 Years (1/12/20 - 30/11/23)	5 Years (1/12/18 - 30/11/23)	Since Commencement (14/5/18 - 30/11/23)
Benchmark	1.38%	2.78%	5.32%	7.60%	11.06%	12.52%
USD	1.98%	2.28%	4.60%	2.35%	16.18%	13.16%
Outperformance	0.60%	(0.50%)	(0.72%)	(5.25%)	5.12%	0.64%
AUD Hedged	1.50%	1.42%	5.38%	(0.93%)	10.42%	7.02%
Outperformance	0.12%	(1.36%)	0.06%	(8.53%)	(0.64%)	(5.50%)
EUR Hedged	1.44%	1.17%	(2.53%)	(8.85%)	(5.65%)	(11.46%)
Outperformance	0.06%	(1.61%)	(7.85%)	(16.45%)	(16.71%)	(23.98%)
GBP Hedged	1.84%	1.96%	4.59%	(0.73%)	6.80%	3.04%
Outperformance	0.46%	(0.82%)	(0.73%)	(8.33%)	(4.26%)	(9.48%)
HKD Hedged	1.81%	2.64%	5.14%	(65.13%)	(52.96%)	(54.96%)
Outperformance	0.43%	(0.14%)	(0.18%)	(72.73%)	(64.02%)	(67.48%)

MYR Hedged	1.25%	0.71%	2.76%	0.62%	15.10%	13.24%
Outperformance	(0.13%)	(2.07%)	(2.56%)	(6.98%)	4.04%	0.72%

RMB Hedged	1.55%	1.08%	(1.75%)	(1.52%)	12.81%	10.28%
Outperformance	0.17%	(1.70%)	(7.07%)	(9.12%)	1.75%	(2.24%)

SGD Hedged	1.51%	1.35%	2.56%	(1.85%)	9.32%	4.86%
Outperformance	0.13%	(1.43%)	(2.76%)	(9.45%)	(1.74%)	(7.66%)

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: USD LIBOR 3 Months

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	97.69
Derivative	1.19
Cash & money market	1.12
Total	100.00

Strategies Employed

At the start of the quarter, the Target Fund Manager recognised the risk of higher yields for longer dated US Treasuries and the impact this will have on other bond markets. As a result, total duration exposure of the Target Fund was cut from a high of 3.0 years in June to 2.4 year at the end of September and shifted exposures from US towards Australia and Europe. Equity allocation as at September was at 22%, with elevated levels of cash earmarked to deploy into equities.

By the end of the financial period under review, the Target Fund's equity allocation stands at 30%, but due to option positions, this allocation could rise to 32% if the market keeps rallying into year end, or fall down to 22% if US equities fall between 5-10% from here. High yield allocations also increased relative from the start of the quarter and reduced investment grade allocations.

Market Review

At the start of the quarter in September, global equities were broadly lower amid fears over the impact that higher interest rates could have on economic growth. Ongoing concerns over the Chinese economy also weakened investor sentiment in the month. US equities, Eurozone shares and Emerging markets fell as the prospect of a sustained period of higher interest rates sank in. Global government bond markets sold-off as yields hit calendar-year highs. Against a backdrop of deteriorating risk-off sentiment, the dollar strengthened, and US bond yields rose, the combination of which weighed on EM over the month.

Markets continued to weaken in October, continuing their "correction" from the July highs as higher longer term bond yields and higher yield volatility impacted negatively. The conflict in the Middle East increased risk aversion with the gold price the major beneficiary.

US equities fell in October as the expected end to the Federal Reserve's ("Fed") tighter policy environment has been pushed back and the geopolitical temperature rose. Inflation has remained elevated and the broader US economy very robust. Eurozone shares declined as the economy stagnated. The European Central Bank ("ECB") held interest rates steady at its October meeting and the end of the month brought data showing annual inflation had fallen to 2.9% in October. Asian equity markets were also weaker in October. All index markets ended the month in negative territory. Indonesia, South Korea, and the Philippines were the weakest index markets in October. Chinese shares also fell, with investor sentiment towards China continuing to weaken due to the country's economic slowdown and the ongoing real estate debt crisis added to investor concerns. Emerging market (EM) equities lagged their developed market peers over the month against a backdrop of rising yields and conflict in the Middle East.

In November, US shares posted strong gains, supported by a cooler-than-expected inflation reading which raised hopes that there may be no further hikes to US interest rates. Top performing sectors included information technology and real estate. Energy was the main laggard. Signs of a slowdown in inflation also boosted eurozone shares. As in the US, the real estate and information technology sectors performed well. The headline eurozone inflation reading for November was 2.4% year-on-year, down from 2.9% in October. Emerging markets (EM) gained strongly in November, albeit slightly behind developed markets. This came against a backdrop of what appears to be a soft landing for the US economy and increased expectations of interest rate cuts from the Federal Reserve in 2024.

Investment Outlook

The last two years have been a rollercoaster ride for investors. The recent rate hike cycle has been the hardest and fastest in decades, upending the relative tranquillity of markets in the post-GFC era. Bond holders have seen one of the largest and longest drawdowns in history, and global equity investors had to stomach +/-20% swings only to underperform cash.

It's fair to say that investors are looking for some good news in 2024. Inflation has peaked and is rolling over, providing a pathway for central banks to ease monetary policy next year. It is therefore no surprise that investors are celebrating and the market is now pricing in a soft landing.

However, the Target Fund Manager believes uncertainties are likely to persist in 2024.

Outside of a recession, interest rates could remain higher than the market is anticipating. The remarkable insensitivity of the US to rising rates is due to both households and corporates locking in low fixed rate loans in 2021. US households managed to lock in 30-year mortgages near the lows and have therefore mostly been insulated from rate rises. The share of US household debt that is floating rate is now around 10%, which is much lower than the 25% in 2008 or 40% in 1990. Corporates are no different. Less than 15% of non-financial companies have debt maturing over the next two years. Higher quality companies issued longer dated debt in 2021 at rates below what they're currently earning on their hefty cash piles, with some even seeing a decrease in debt servicing costs in 2023. Outside of a crack in the labour market, pre-emptive easing is premature.

Looking beyond 2024, the Target Fund Manager believes fiscal imperatives will likely continue to drive looser fiscal policy, keeping upward pressure on inflation, while central banks remain more hawkish to try and keep inflation under control. There are many different factors at play but the Target Fund Manager think they can be grouped into three categories, namely Deglobalisation due to rising geopolitical tensions and the need for greater supply chain resilience; Decarbonisation or energy security as economies transition to a new energy mix; and Demographic constraints, where income inequality clashes with a continued reduction in workforce supply. Together, they form what we've called the 3D Reset. We predict that fiscal policy will be looser, governments will be increasingly protectionist, and input costs will be higher. The cost of money, the cost of labour and the cost of energy will create winners and losers, both at the corporate and state level, depending on their ability to access these resources.

AFFIN HWANG WORLD SERIES – GLOBAL TARGET RETURN FUND

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

	Financial period ended 30.11.2023 USD	Financial period ended 30.11.2022 USD
INVESTMENT INCOME/(LOSS)		
Net gain/(loss) on foreign currency exchange	1,684	(199,601)
Net gain on forward foreign currency contracts at fair value through profit or loss	6,720	64,803
Net gain/(loss) on financial assets at fair value through profit or loss	44,871	(43,067)
	<u>53,275</u>	<u>(177,865)</u>
EXPENSES		
Management fee	(12,017)	(18,869)
Trustee fee	(321)	(503)
Auditors' remuneration	(892)	(890)
Tax agent's fee	(278)	(257)
Other expenses	(1,457)	(1,618)
	<u>(14,965)</u>	<u>(22,137)</u>
NET INCOME/(LOSS) BEFORE TAXATION	38,310	(200,002)
Taxation	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER	<u>38,310</u>	<u>(200,002)</u>
Increase/(decrease) of net asset attributable to unitholders is made up of the following:		
Realised amount	(41,060)	(247,619)
Unrealised amount	79,370	47,617
	<u>38,310</u>	<u>(200,002)</u>

AFFIN HWANG WORLD SERIES – GLOBAL TARGET RETURN FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

	<u>2023</u> USD	<u>2022</u> USD
ASSETS		
Cash and cash equivalents	48,565	30,638
Amount due from broker	-	61
Amount due from Manager - management fee rebate receivable	1,420	1,979
Financial assets at fair value through profit or loss	1,429,493	1,926,442
Forward foreign currency contracts at fair value through profit or loss	17,433	55,287
TOTAL ASSETS	<u>1,496,911</u>	<u>2,014,407</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	38	22
Amount due to broker	28,000	-
Amount due to Manager - management fee	1,757	2,418
Amount due to Trustee	47	64
Auditors' remuneration	892	1,016
Tax agent's fee	1,082	1,394
Other payables and accruals	1,754	1,805
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>33,570</u>	<u>6,719</u>
NET ASSET VALUE OF THE FUND	<u>1,463,341</u>	<u>2,007,688</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>1,463,341</u>	<u>2,007,688</u>

AFFIN HWANG WORLD SERIES – GLOBAL TARGET RETURN 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	106,568	207,949
- EUR-Hedged Class	13,542	49,878
- GBP-Hedged Class	693,730	806,304
- HKD-Hedged Class	87	82
- MYR-Hedged Class	359,472	577,515
- RMB-Hedged Class	5,090	1,745
- SGD-Hedged Class	278,062	264,689
- USD Class	6,790	99,526
	<u>1,463,341</u>	<u>2,007,688</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD-Hedged Class	301,000	609,000
- EUR-Hedged Class	28,000	106,000
- GBP-Hedged Class	1,064,000	1,363,000
- HKD-Hedged Class	3,000	3,000
- MYR-Hedged Class	2,958,000	4,656,000
- RMB-Hedged Class	66,000	22,000
- SGD-Hedged Class	708,000	708,000
- USD Class	12,000	184,000
	<u>5,140,000</u>	<u>7,651,000</u>

AFFIN HWANG WORLD SERIES – GLOBAL TARGET RETURN FUND

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

	<u>2023</u> USD	<u>2022</u> USD
REPRESENTED BY (CONTINUED):		
NET ASSET VALUE PER UNIT (USD)		
- AUD-Hedged Class	0.3540	0.3415
- EUR-Hedged Class	0.4837	0.4705
- GBP-Hedged Class	0.6520	0.5916
- HKD-Hedged Class	0.0288	0.0272
- MYR-Hedged Class	0.1215	0.1240
- RMB-Hedged Class	0.0771	0.0793
- SGD-Hedged Class	0.3927	0.3739
- USD Class	0.5658	0.5409
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NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD-Hedged Class	AUD0.5351	AUD0.5078
- EUR-Hedged Class	EUR0.4427	EUR0.4542
- GBP-Hedged Class	GBP0.5152	GBP0.4926
- HKD-Hedged Class	HKD0.2252	HKD0.2142
- MYR-Hedged Class	RM0.5662	RM0.5510
- RMB-Hedged Class	RMB0.5514	RMB0.5612
- SGD-Hedged Class	SGD0.5243	SGD0.5112
- USD Class	USD0.5658	USD0.5409
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AFFIN HWANG WORLD SERIES – GLOBAL TARGET RETURN 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
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,772,745	3,018,637
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	-	65,988
- GBP-Hedged Class	-	11,175
- MYR-Hedged Class	-	54,813
Cancellation of units	(347,714)	(876,935)
- AUD-Hedged Class	(62,203)	(153,973)
- GBP-Hedged Class	(175,671)	(319,624)
- MYR-Hedged Class	(69,048)	(338,227)
- USD Class	(40,792)	(65,111)
Increase/(decrease) in net assets attributable to unitholders during the financial period	38,310	(200,002)
- AUD-Hedged Class	1,530	(37,180)
- EUR-Hedged Class	461	(2,935)
- GBP-Hedged Class	30,035	(105,816)
- HKD-Hedged Class	3	(1)
- MYR-Hedged Class	(2,066)	(49,641)
- RMB-Hedged Class	38	(117)
- SGD-Hedged Class	7,751	(2,344)
- USD Class	558	(1,968)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>1,463,341</u>	<u>2,007,688</u>

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