

QUARTERLY REPORT
30 November 2023

Affin Hwang World Series – US Dollar Liquidity Fund

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AFFIN HWANG WORLD SERIES – US DOLLAR LIQUIDITY 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 – US Dollar Liquidity Fund
Fund Type	Income
Fund Category	Feeder Wholesale
Investment Objective	The Fund aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement whilst maintaining capital preservation.
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis, after the end of its first financial year.

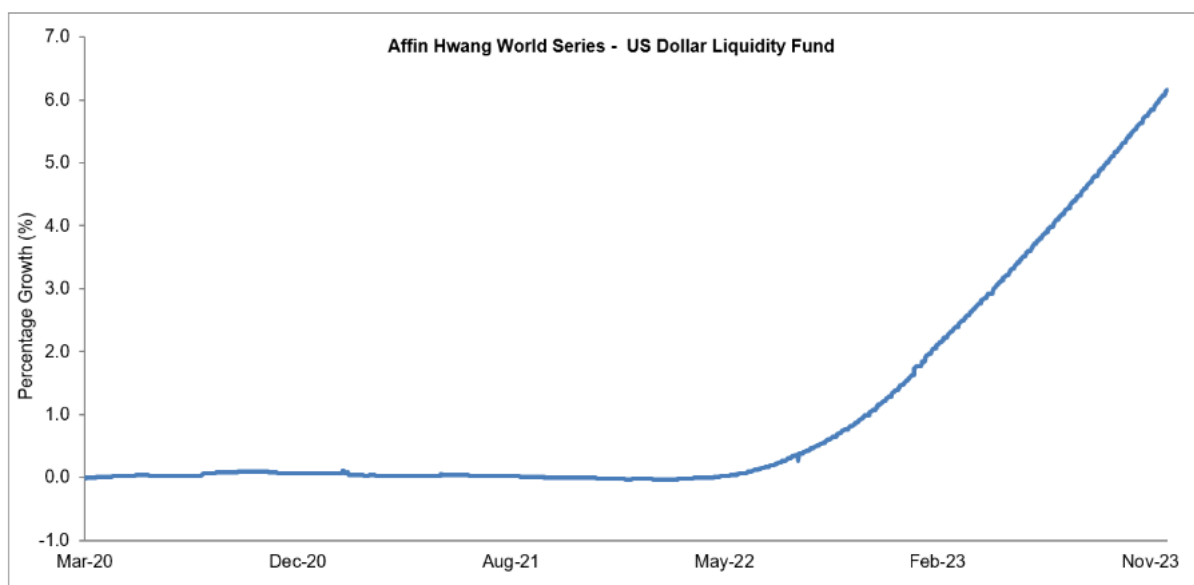
FUND PERFORMANCE DATA

Category	As at 30 Nov 2023	As at 31 Aug 2023
Total NAV (million)	69.034	49.256
NAV per Unit (USD)	1.0242	1.0199
Unit in Circulation (million)	67.405	48.294

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 (10/3/20 - 30/11/23)
Fund	1.31%	2.58%	4.98%	6.09%	6.16%

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	99.52
Cash & money market	0.48
Total	100.00

Strategies Employed

The Manager continue to maintain higher levels of liquidity than in the past. We remain comfortable purchasing securities out to 1-year and we have been looking for attractive fixed and floating rates in the 1-12 months' space.

Market Review

Nonfarm payrolls increased 199k in November, surpassing the 150K added in October and exceeding market expectation of a 185K gain. Labor force participation increased slightly in November to 62.8% (expected: 62.7%; October: 62.7%). Unemployment rate also improved to 3.7% in November from 3.9% in October (expected: 3.7%). Average hourly earnings on US private nonfarm payrolls rose by 0.4% m-o-m in November, after a 0.2% increase in the prior month and above market forecast of a 0.3% gain. That marks the strongest increase in wages in four months.

Headline inflation came in at 3.1% y-o-y in November (expected: 3.1%; October: 3.2%, September: 3.7%). On a month on month basis, headline inflation came in at 0.1% in November (expected: 0.0%; Oct: 0.0%, Sep: 0.4%). Core CPI rose 0.3% m-o-m, which was in line with market expectation in November. Key shelter prices remained strong, with an increase in primary rents and owners' equivalent rent. Core services prices excluding shelter also rose. On the other hand, core goods prices fell in November, on a month on month basis. Of note, decline in prices was found in furniture, apparel, and recreation goods. Used car prices rose, although new car prices were essentially flat on the month.

Retail sales in the US increased by 0.3% m-o-m in November, beating market expectation of -0.1% and the revised October growth of -0.2%. Figures suggested a strong start of the holiday shopping season, with sales at food services and drinking places, non-store retailers, health and personal care and furniture stores recording the biggest increases. In contrast, sales at gasoline stations declined as gas prices fell. Sales were also lower at miscellaneous store retailers, electronics & appliance stores, building material & garden equipment & supplies dealers, and general merchandise stores.

At its December meeting, the FOMC of the US Fed unanimously left the target range for the federal funds rate unchanged at 5.25-5.50%, in line with market expectations. The median Fed projection in December points to 75bp of rate cuts in 2024, 25bp more than in the September projection. This comes with a slight downward revision of core PCE inflation for 2024, to 2.4% from 2.6% in the September projection. In his press conference, Chair Powell kept the door open to further hikes if needed, but noted the FOMC thought such action was unlikely. He also commented that the FOMC still needed to see further evidence that inflation would move durably down to 2.0%, which is not yet assured, before easing policy, but that the question of when will it become appropriate to begin dialing back the amount of policy restraint in place was discussed at the meeting.

· As markets begin to price in rate cuts in 2024, money market rates (especially at the longer end) have begun to move lower. Markets are pricing in around 62% probability of a 25bp cut by March 2024 at the time of writing. Against the current backdrop, the Target Fund Manager have been actively looking for strategic opportunities to term out maturities while maintaining ample liquidity. Recall that overnight rates fall in lockstep with policy rates. Terming out maturities now will allow them to benefit from yield enhancement vs keeping maturities short when the Fed does finally begin cutting.

Investment Outlook

Reviewing the year thus far, 2023 took investors by surprise in many ways. The much-heralded recession in the US did not materialize as its economy held up remarkably well. Conversely, China's post-COVID recovery sputtered and fell short of expectations. However, inflection points could mark a new shift for market conditions as we enter a new economic cycle.

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AFFIN HWANG WORLD SERIES – US DOLLAR LIQUIDITY 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		
Dividend income	1,357,156	131,495
Net gain on financial assets at fair value through profit or loss	37,950	5,497
	<u>1,395,106</u>	<u>136,992</u>
EXPENSES		
Management fee	(64,374)	(9,714)
Trustee fee	(5,150)	(777)
Fund accounting fee	(2,292)	-
Other expenses	-	(576)
	<u>(71,816)</u>	<u>(11,067)</u>
NET PROFIT BEFORE TAXATION	1,323,290	125,925
Taxation	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>1,323,290</u>	<u>125,925</u>
Net profit after taxation is made up of the following:		
Realised amount	<u>1,323,290</u>	<u>125,925</u>

AFFIN HWANG WORLD SERIES – US DOLLAR LIQUIDITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

	<u>2023</u> USD	<u>2022</u> USD
ASSETS		
Cash and cash equivalents	16,665	3,620
Amount due from Manager		
- management fee rebate receivable	8,895	4,326
Dividend receivable	322,648	111,414
Financial assets at fair value through profit or loss	68,702,549	67,963,627
TOTAL ASSETS	<u>69,050,757</u>	<u>68,082,987</u>
LIABILITIES		
Amount due to Manager		
- management fee	14,932	7,646
Amount due to Trustee	1,195	612
Fund accounting fee	860	-
Other payables	2	-
TOTAL LIABILITIES	<u>16,989</u>	<u>8,258</u>
NET ASSET VALUE OF THE FUND	<u>69,033,768</u>	<u>68,074,729</u>
EQUITY		
Unitholders' capital	68,188,439	67,968,310
Retained earnings	845,329	106,419
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>69,033,768</u>	<u>68,074,729</u>
NUMBER OF UNITS IN CIRCULATION	<u>67,405,000</u>	<u>67,538,000</u>
NET ASSET VALUE PER UNIT (USD)	<u>1.0242</u>	<u>1.0079</u>

AFFIN HWANG WORLD SERIES – US DOLLAR LIQUIDITY FUND

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

	Unitholders' <u>capital</u> USD	Retained <u>earnings</u> USD	<u>Total</u> USD
Balance as at 1 June 2023	17,770,488	397,643	18,168,131
Total comprehensive income for the financial period	-	1,323,290	1,323,290
Distributions	-	(875,604)	(875,604)
Movement in unitholders' capital:			
Creation of units arising from applications	82,481,086	-	82,481,086
Creation of units arising from distributions	872,966	-	872,966
Cancellation of units	(32,936,101)	-	(32,936,101)
Balance as at 30 November 2023	<u>68,188,439</u>	<u>845,329</u>	<u>69,033,768</u>
Balance as at 1 June 2022	706,471	(2,471)	704,000
Total comprehensive income for the financial period	-	125,925	125,925
Distributions	-	(17,035)	(17,035)
Movement in unitholders' capital:			
Creation of units arising from applications	68,414,459	-	68,414,459
Creation of units arising from distributions	17,035	-	17,035
Cancellation of units	(1,169,655)	-	(1,169,655)
Balance as at 30 November 2022	<u>67,968,310</u>	<u>106,419</u>	<u>68,074,729</u>

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