



ANNUAL REPORT
31 May 2023

**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])

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AFFIN HWANG WORLD SERIES – EMERGING MARKETS SHORT DURATION FUND

Annual Report and Audited Financial Statements
For the Financial Year Ended 31 May 2023

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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 the respective Classes in the following manner, after the end of its first financial year.

FUND PERFORMANCE DATA

Category	As At 31 May 2023 (%)						As At 31 May 2022 (%)					
Portfolio composition												
Collective Investment Scheme	97.38						94.89					
Cash & cash equivalent	2.62						5.11					
Total	100.00						100.00					
Currency class	<u>MYR</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>RMB</u> <u>Hedged-</u> <u>class</u>	<u>MYR</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>RMB</u> <u>Hedged-</u> <u>class</u>
Total NAV (million) ¹	0.417	0.009	0.289	0.002	0.005	0.015	0.378	0.004	0.342	0.002	0.005	0.017
NAV per unit (in respective currencies) ²	0.1927	0.1671	0.1614	0.1508	0.1608	0.1668	0.2360	0.2154	0.2134	0.1994	0.2093	0.2202
Unit in Circulation (million)	2.163	0.055	1.791	0.011	0.030	0.090	1.600	0.017	1.601	0.011	0.026	0.079
Highest NAV	0.2361	0.2147	0.2127	0.1989	0.2086	0.2195	0.3643	0.3545	0.3475	0.3304	0.3461	0.3548
Lowest NAV	0.1853	0.1595	0.1578	0.1467	0.1545	0.1628	0.2290	0.2099	0.2078	0.1939	0.2038	0.2144
Return of the Fund (%)	-5.01	-9.92	-11.39	-11.35	-10.04	-11.26	-28.83	-32.88	-32.02	-33.25	-33.15	-31.36
- Capital Return (%)	-18.35	-22.42	-24.37	-24.37	-23.17	-24.25	-35.22	-39.26	-38.61	-39.67	-39.54	-37.95
- Income Return (%)	16.33	16.12	17.16	17.22	17.09	17.15	9.86	10.50	10.73	10.64	10.57	10.63
Gross Distribution per Unit (sen)	2.99	2.64	2.75	2.56	2.70	2.84	2.75	2.75	2.76	2.57	2.69	2.81
Net Distribution per Unit (sen)	2.99	2.64	2.75	2.56	2.70	2.84	2.75	2.75	2.76	2.57	2.69	2.81
Total Expenses Ratio (%) ³	4.56						4.78					
Portfolio Turnover Ratio (times) ⁴	0.56						0.64					

¹ The differences between the audited total NAV of the Fund and the published NAV are due to audit adjustment for fee accrual.

² The differences between the audited NAV per unit of the Fund and the published NAV are due to audit adjustment for the fee accrual.

³ The Fund's TER was higher than previous year due to lower average NAV of the Fund for the financial year.

⁴ The Fund's PTR was lower than previous year due to lesser trading activities for the financial year.

FUND PERFORMANCE DATA (CONTINUED)

Category	As At 31 May 2021 (%)					
Portfolio composition						
Collective Investment Scheme	94.73					
Cash & cash equivalent	5.27					
Total	100.00					
Currency class	<u>MYR</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>RMB</u> <u>Hedged-</u> <u>class</u>
Total NAV (million)	0.145	0.006	0.659	0.004	0.011	0.031
NAV per unit (in respective currencies)	0.3643	0.3546	0.3476	0.3305	0.3462	0.3549
Unit in Circulation (million)	0.399	0.017	1.896	0.013	0.032	0.087
Highest NAV	0.4020	0.3884	0.3786	0.3701	0.3775	0.3824
Lowest NAV	0.3591	0.3391	0.3289	0.3248	0.3302	0.3337
Return of the Fund (%)	6.14	12.07	12.92	9.27	11.60	12.93
- Capital Return (%)	-0.16	4.48	5.65	1.63	4.75	6.26
- Income Return (%)	6.31	7.27	6.88	7.52	6.54	6.28
Gross Distribution per Unit (sen)	2.27	2.54	2.35	2.47	2.23	2.18
Net Distribution per Unit (sen)	2.27	2.54	2.35	2.47	2.23	2.18
Total Expenses Ratio (%)	4.56					
Portfolio Turnover Ratio (times)	1.92					

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	=	NAV per Unit end / NAV per Unit begin – 1
Income return	=	Income distribution per Unit / NAV per Unit ex-date
Total return	=	(1+Capital return) x (1+Income return) – 1

MANAGER'S REPORT

Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distribution was as follows:-

AUD Hedged Class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
14-Jun-22	15-Jun-22	0.1921	0.0022	0.1892
19-Jul-22	20-Jul-22	0.1625	0.0022	0.1606
16-Aug-22	17-Aug-22	0.1694	0.0021	0.1691
20-Sep-22	21-Sep-22	0.1690	0.0022	0.1656
18-Oct-22	19-Oct-22	0.1508	0.0022	0.1486
15-Nov-22	16-Nov-22	0.1513	0.0020	0.1504
20-Dec-22	21-Dec-22	0.1594	0.0021	0.1570
17-Jan-23	18-Jan-23	0.1625	0.0020	0.1617
14-Feb-23	15-Feb-23	0.1631	0.0021	0.1606
14-Mar-23	15-Mar-23	0.1635	0.0023	0.1606
18-Apr-23	19-Apr-23	0.1547	0.0021	0.1524
16-May-23	17-May-23	0.1561	0.0021	0.1529

MYR Hedged Class

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
14-Jun-22	15-Jun-22	0.2070	0.0024	0.2039
19-Jul-22	20-Jul-22	0.1757	0.0023	0.1737
16-Aug-22	17-Aug-22	0.1829	0.0023	0.1824
20-Sep-22	21-Sep-22	0.1819	0.0024	0.1782
18-Oct-22	19-Oct-22	0.1620	0.0022	0.1598
15-Nov-22	16-Nov-22	0.1627	0.0022	0.1617
20-Dec-22	21-Dec-22	0.1710	0.0022	0.1686
17-Jan-23	18-Jan-23	0.1744	0.0022	0.1736
14-Feb-23	15-Feb-23	0.1750	0.0023	0.1720
14-Mar-23	15-Mar-23	0.1752	0.0023	0.1722
18-Apr-23	19-Apr-23	0.1655	0.0023	0.1631
16-May-23	17-May-23	0.1669	0.0023	0.1635

MYR Class

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
14-Jun-22	15-Jun-22	0.2310	0.0025	0.2273
19-Jul-22	20-Jul-22	0.1973	0.0025	0.1952
16-Aug-22	17-Aug-22	0.2065	0.0025	0.2062
20-Sep-22	21-Sep-22	0.2097	0.0025	0.2053
18-Oct-22	19-Oct-22	0.1938	0.0025	0.1914
15-Nov-22	16-Nov-22	0.1878	0.0025	0.1867
20-Dec-22	21-Dec-22	0.1930	0.0025	0.1906
17-Jan-23	18-Jan-23	0.1927	0.0025	0.1913
14-Feb-23	15-Feb-23	0.1944	0.0025	0.1933
14-Mar-23	15-Mar-23	0.2012	0.0025	0.1979
18-Apr-23	19-Apr-23	0.1886	0.0026	0.1863
16-May-23	17-May-23	0.1936	0.0023	0.1913

RMB Hedged Class

Cum Date	Ex-Date	Cum-distribution (RMB)	Distribution per Unit (RMB)	Ex-distribution (RMB)
14-Jun-22	15-Jun-22	0.2134	0.0025	0.2102
19-Jul-22	20-Jul-22	0.1817	0.0023	0.1795
16-Aug-22	17-Aug-22	0.1894	0.0024	0.1889
20-Sep-22	21-Sep-22	0.1878	0.0025	0.1839
18-Oct-22	19-Oct-22	0.1673	0.0023	0.1648
15-Nov-22	16-Nov-22	0.1685	0.0023	0.1673
20-Dec-22	21-Dec-22	0.1768	0.0023	0.1742
17-Jan-23	18-Jan-23	0.1806	0.0023	0.1798
14-Feb-23	15-Feb-23	0.1811	0.0023	0.1782
14-Mar-23	15-Mar-23	0.1813	0.0025	0.1781
18-Apr-23	19-Apr-23	0.1710	0.0024	0.1687
16-May-23	17-May-23	0.1725	0.0023	0.1690

SGD Hedged Class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
14-Jun-22	15-Jun-22	0.2025	0.0024	0.1994
19-Jul-22	20-Jul-22	0.1716	0.0022	0.1696
16-Aug-22	17-Aug-22	0.1789	0.0022	0.1786
20-Sep-22	21-Sep-22	0.1778	0.0023	0.1742
18-Oct-22	19-Oct-22	0.1587	0.0022	0.1564
15-Nov-22	16-Nov-22	0.1605	0.0022	0.1594
20-Dec-22	21-Dec-22	0.1689	0.0022	0.1665
17-Jan-23	18-Jan-23	0.1730	0.0022	0.1723
14-Feb-23	15-Feb-23	0.1737	0.0022	0.1709
14-Mar-23	15-Mar-23	0.1739	0.0024	0.1709
18-Apr-23	19-Apr-23	0.1646	0.0022	0.1623
16-May-23	17-May-23	0.1663	0.0023	0.1629

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
14-Jun-22	15-Jun-22	0.2087	0.0024	0.2055
19-Jul-22	20-Jul-22	0.1770	0.0023	0.1750
16-Aug-22	17-Aug-22	0.1845	0.0023	0.1841
20-Sep-22	21-Sep-22	0.1834	0.0024	0.1797
18-Oct-22	19-Oct-22	0.1637	0.0022	0.1614
15-Nov-22	16-Nov-22	0.1647	0.0023	0.1636
20-Dec-22	21-Dec-22	0.1732	0.0023	0.1707
17-Jan-23	18-Jan-23	0.1772	0.0023	0.1763
14-Feb-23	15-Feb-23	0.1779	0.0023	0.1750
14-Mar-23	15-Mar-23	0.1784	0.0024	0.1753
18-Apr-23	19-Apr-23	0.1690	0.0008	0.1681
16-May-23	17-May-23	0.1724	0.0023	0.1690

No unit splits were declared for the financial year ended 31 May 2023

Performance Review

USD Class

For the period 1 June 2022 to 31 May 2023, the Fund registered a return of -9.92%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was USD0.1671 while the NAV as at 31 May 2022 was USD0.2154. During the same period under review, the Fund has declared a total gross income distribution of USD0.0264 per unit.

Since commencement, the Fund registered a return of -52.67%.

MYR Class

For the period 1 June 2022 to 31 May 2023, the Fund registered a return of -5.01%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was MYR0.1927 while the NAV as at 31 May 2022 was MYR0.2360. During the same period under review, the Fund has declared a total gross income distribution of MYR0.0299 per unit.

Since commencement, the Fund registered a return of -46.32%.

AUD Hedged-Class

For the period 1 June 2022 to 31 May 2023, the Fund registered a return of -11.35%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was AUD0.1508 while the NAV as at 31 May 2022 was AUD0.1994. During the same period under review, the Fund has declared a total gross income distribution of AUD0.0256 per unit.

Since commencement, the Fund registered a return of -56.68%.

MYR Hedged-Class

For the period 1 June 2022 to 31 May 2023, the Fund registered a return of -11.39%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was MYR0.1614 while the NAV as at 31 May 2022 was MYR0.2134. During the same period under review, the Fund has declared a total gross income distribution of MYR0.0275 per unit.

Since commencement, the Fund registered a return of -53.92%.

RMB Hedged-Class

For the period 1 June 2022 to 31 May 2023, the Fund registered a return of -11.26%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was RMB0.1668 while the NAV as at 31 May 2022 was RMB0.2202. During the same period under review, the Fund has declared a total gross income distribution of RMB0.0284 per unit.

Since commencement, the Fund registered a return of -52.71%.

SGD Hedged-Class

For the period 1 June 2022 to 31 May 2023, the Fund registered a return of -10.04%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2023 was SGD0.1608 while the NAV as at 31 May 2022 was SGD0.2093. During the same period under review, the Fund has declared a total gross income distribution of SGD0.0267 per unit.

Since commencement, the Fund registered a return of -54.34%.

Table 1: Performance of the Fund

	1 Year (1/6/22 - 31/5/23)	3 Years (1/6/20 - 31/5/23)	Since Commencement (3/5/19 - 31/5/23)
USD	(9.92%)	(32.24%)	(52.67%)
MYR	(5.01%)	(28.25%)	(46.32%)
AUD Hedged	(11.35%)	(35.34%)	(56.68%)
MYR Hedged	(11.39%)	(31.98%)	(53.92%)
RMB Hedged	(11.26%)	(31.21%)	(52.71%)
SGD Hedged	(10.04%)	(32.89%)	(54.34%)

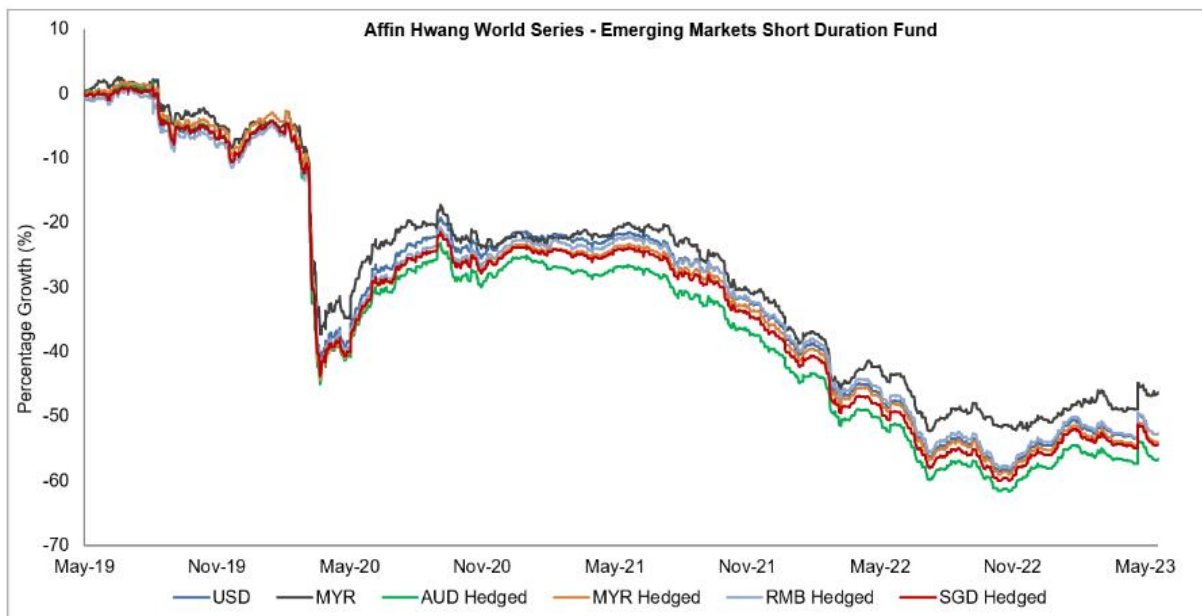
Table 2: Average Total Return

	1 Year (1/6/22 - 31/5/23)	3 Years (1/6/20 - 31/5/23)	Since Commencement (3/5/19 - 31/5/23)
USD	(9.92%)	(12.17%)	(16.75%)
MYR	(5.01%)	(10.47%)	(14.14%)
AUD Hedged	(11.35%)	(13.53%)	(18.53%)
MYR Hedged	(11.39%)	(12.06%)	(17.29%)
RMB Hedged	(11.26%)	(11.72%)	(16.76%)
SGD Hedged	(10.04%)	(12.45%)	(17.47%)

Table 3: Annual Total Return

	FYE 2023 (1/6/22 - 31/5/23)	FYE 2022 (1/6/21 - 31/5/22)	FYE 2021 (1/6/20 - 31/5/21)	FYE 2020 (3/5/19 - 31/5/20)
USD	(9.92%)	(32.88%)	12.07%	(30.16%)
MYR	(5.01%)	(28.83%)	6.14%	(25.19%)
AUD Hedged	(11.35%)	(33.25%)	9.27%	(33.01%)
MYR Hedged	(11.39%)	(32.02%)	12.92%	(32.26%)
RMB Hedged	(11.26%)	(31.36%)	12.93%	(31.25%)
SGD Hedged	(10.04%)	(33.15%)	11.60%	(31.96%)

Figure 1: 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

For a snapshot of the Fund's asset mix during the period under review, please refer to Fund Performance Data.

As at 31 May 2023, the Fund remained highly invested with 97.38% (2022:94.89%) of the Fund's NAV invested in collective investment scheme while the balance was held in cash and cash equivalent.

Strategies Employed

The Fund continues to maintain its objective of investing a minimum of 80% of the Fund's NAV into the Target Fund.

The Target Fund continues to access 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

Market volatility persisted over the past year as macro events and policy rate increases across the global economy affected stock and bond markets. Over the year under review, the Standard & Poor 500 ("S&P500") returned 2.89%, MSCI AC World index returned 2.64%, Morgan Stanley Capital International ("MSCI") AC Asia ex Japan Index 1.40%, and the FTSE Bursa Malaysia -7.94%. Bond markets were similarly impacted with the Bloomberg Barclays Global Aggregate Index down -4.48%, while local bond markets saw edge higher with the benchmark 10-year Malaysian Government Securities ("MGS") yield closing at 3.85%.

The financial year under review started off turbulent May last year, driven by a confluence of unprecedented events that unfolded globally. The Russia-Ukraine conflict casted a shadow of geopolitical instability, heightening risk sentiments and increasing volatility. Although Covid cases have started to trend downward since a year ago, the market continues to grapple with the ongoing effects of the pandemic and geopolitical instability. Temporary closure of factories and logistical facilities created disruptions in the flow of goods and services resulted in supply chain bottlenecks and delayed deliveries. Now that supply have started to normalise, and goods and services are readily available, consumer spending is returning to pre-pandemic levels. In order to regulate consumer spending driven by stimulus over the lock-down period to rein in inflation, central banks globally embarked on a series of policy rates increases.

The US Federal Reserve ("Fed") raised their policy rates in each monetary policy committee meetings since March last year, to of 5.25% in May 2023. The sharp pace of policy tightening raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks. However, despite the Fed's effort in policy tightening, economic indicators continue to remain positive. In addition to fractures in the banking sector, other notable events over the year included the concern over the US approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth.

The global equity was volatile throughout the year and ended the month of May down 1.25%, but with a stark difference between sectors. Technology stocks were boosted by enthusiasm over new developments in generative artificial Intelligence ("AI") while energy and materials stocks were among the weaker performers

in the month. Although economic data released remained broadly supportive, the prospect of a government default has put investors on edge.

At the start of the financial year, both the China onshore and offshore equity markets regained momentum as COVID cases in China seemed to have peaked out and an ease in lockdown measures in various cities including Shanghai's reopening in June last year was seen. However, by the end of the financial year, Chinese stocks trended downwards, amongst other factors includes high-profile divestments of Chinese internet platform companies and lingering geopolitical risks. After great anticipation of China's reopening cooled, Chinese equities fell sharply by the end of the financial year. Weak demand for exports and lacklustre consumer spending has effected in the slowing down of factory outputs in China.

In Asia, the broader MSCI Asia ex-Japan index fell over the year. The effect of China's cooling economy also weakened sentiment towards Hong Kong stocks. India on the other hand showed gains driven by steady earnings and foreign inflows. The development in AI helped boost Taiwan and South Korea's technology stocks.

Major macro events over the financial year under review had a notable effect on the domestic market. While Bank Negara similarly raised policy rates to tame domestic inflation, the pace of increase was more measured compared to other major central banks. Due to Malaysia's close trade relation to China, the Ringgit has weakened considerably year to date. In a statement, Bank Negara Malaysia (BNM) believes that the depreciation of the Ringgit is not fundamentally driven and that global headwinds are driving investors to seek safe haven assets like the US dollar. On local fixed income, the 10-year MGS yield closed unchanged at 3.71%. Malaysia's Growth Domestic Product ("GDP") for the first quarter of 2023 came relatively strong at 5.60% compared to market expectations of 5.10% driven by an expansion of household spending and strong employment growth. The strong GDP showing may have been a factor that weighed on BNM's decision to hike the overnight policy rate ("OPR") earlier in May.

Investment Outlook

Global equity markets still remain susceptible to shifting sentiment towards geopolitical tensions, inflation, economic growth and ultimately corporate earnings. Valuations have already significantly adjusted to reflect a change in the market environment, and we believe reflect realistic expectations for inflation, rates and risk premia. Consequently, the source of risk has now shifted from valuation to earnings in light of the softer growth and prospects for a recession, which appears increasingly likely.

China is expected to be a strong source of growth and returns for Asia. The Chinese equities as well as credit market took a breather from February onwards after strong rally in the prior months. Market sentiment was dampened by the re-intensifying geopolitical tensions between US-China which arose from the balloon controversies and the plan to expand US troops in Taiwan for military training. On the other hand, macro and economic front continued to deliver encouraging data. Consumption to recover in February, stronger and at a faster pace than expected, albeit with more encouraging signs in the services sector over consumer goods. Signs of the rebound were evident over the Chinese New Year holiday, and domestic tourism recorded the strongest visitor and revenue levels since the pandemic. China's official manufacturing Purchasing Manufacture Index ("PMI") rose to 52.6 in February from 50.1 in January, however has dipped slightly to 51.9 in March. Non-manufacturing PMI on the other hand rose to 58.2 in March, the highest since May 2011. The supportive stance continued into 2023 and was recently validated by the 2 sessions that took place in early March. The general positive tone on economic recovery and consumption stimulus remains, alongside with the announcement of the new cabinet and securing of President Xi's third term.

In contrast to the expected slowdown in the developed market economy, Malaysia's economic fundamentals continues to remain strong. Within the financial period under review, the government unveiled its revised budget, focusing on sustainable economic growth, institutional reforms and reducing social inequality. The benchmark Kuala Lumpur Composite Index ("KLCI") edged lower as market reaction to Budget 2023 was neutral. Our view is that newly tabled budget is a pragmatic one that should restore confidence and shore up support in the long run. The absence of any prosperity tax is a huge relief to the market that should augur well for corporate earnings. Notwithstanding macro noises, Malaysia economy is primarily domestic driven and therefore more insulated against external shocks.

Bond investors may see some relief this year after enduring a painful 2022 which saw rates volatility reaching unprecedented highs. In 2023, volatility in rates is expected to temper down as we see a slower pace of adjustment in rates. In addition, a slower growth outlook is beneficial for rates. On local fixed income, credit rating agencies are likely to maintain the sovereign ratings of Malaysia bonds. Rates volatility will be driven by external development.

State of Affairs of the Fund

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

Soft Commissions received from Brokers

Soft commissions received from brokers/dealers may be retained by the management company only if the :–

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial year under review, no soft commission was received by the management on behalf of the fund.

Cross Trade

No cross trade transactions have been carried out during the reported period.

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

Changes Made To the Fund's Information Memorandum

There were no changes made to the Fund's Information Memorandum during the financial year under review.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG WORLD SERIES – EMERGING MARKETS SHORT DURATION FUND (“Fund”)

We have acted as the Trustee of the Fund for the financial year ended 31 May 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For TMF Trustees Malaysia Berhad
(Company No.: (200301008392 [610812-W]))

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
28 July 2023

**AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT
DURATION FUND**

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

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AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023**

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
INVESTMENT LOSS			
Dividend income		25,282	16,379
Net loss on foreign currency exchange		(131)	(556)
Net loss on forward foreign currency contracts at fair value through profit or loss	9	(5,255)	(5,459)
Net loss on financial assets at fair value through profit or loss	8	(34,816)	(73,381)
		<u>(14,920)</u>	<u>(63,017)</u>
EXPENSES			
Management fee	4	(2,413)	(2,528)
Trustee fee	5	(98)	(102)
Auditors' remuneration		(1,792)	(1,902)
Tax agent's fee		(784)	(832)
Other expenses		(755)	(2,692)
		<u>(5,842)</u>	<u>(8,056)</u>
NET LOSS BEFORE FINANCE COST AND TAXATION		(20,762)	(71,073)
FINANCE COST			
Distributions	6	(24,728)	(16,330)
NET LOSS BEFORE TAXATION		(45,490)	(87,403)
Taxation	7	221	(385)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(45,269)</u>	<u>(87,788)</u>

**AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT
DURATION FUND**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Decrease in net assets attributable to unitholders comprise the following:			
Realised amount		(37,174)	(22,136)
Unrealised amount		(8,095)	(65,652)
		<u>(45,269)</u>	<u>(87,788)</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2023**

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
ASSETS			
Cash and cash equivalents		11,867	7,261
Amount due from broker		-	25,559
Amount due from Manager			
- creation of units		210	-
- management fee rebate receivables		190	198
Financial assets at fair value through profit or loss	8	164,626	167,205
Tax recoverable		61	-
TOTAL ASSETS		<u>176,954</u>	<u>200,223</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	9	3,398	3,348
Amount due to Manager			
- management fee		224	239
- cancellation of units		42	15,891
Amount due to Trustee		9	10
Auditors' remuneration		1,735	1,828
Tax agent's fee		759	800
Other payable and accruals		230	1,730
Tax payable		-	160
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>6,397</u>	<u>24,006</u>
NET ASSET VALUE OF THE FUND		<u>170,557</u>	<u>176,217</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>170,557</u>	<u>176,217</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		1,085	1,576
- MYR Class		91,211	86,308
- MYR Hedged-class		63,272	78,091
- RMB Hedged-class		2,126	2,604
- SGD Hedged-class		3,592	3,976
- USD Class		9,271	3,662
		<u>170,557</u>	<u>176,217</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	10 (a)	11,000	11,000
- MYR Class	10 (b)	2,163,000	1,600,000
- MYR Hedged-class	10 (c)	1,791,000	1,601,000
- RMB Hedged-class	10 (d)	90,000	79,000
- SGD Hedged-class	10 (e)	30,000	26,000
- USD Class	10 (f)	55,000	17,000
		<u>4,140,000</u>	<u>3,334,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.0986	0.1433
- MYR Class		0.0422	0.0539
- MYR Hedged-class		0.0353	0.0488
- RMB Hedged-class		0.0236	0.0330
- SGD Hedged-class		0.1197	0.1529
- USD Class		0.1686	0.2154
		<u>0.1686</u>	<u>0.2154</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.1522	AUD0.1994
- MYR Class		RM0.1944	RM0.2360
- MYR Hedged-class		RM0.1629	RM0.2134
- RMB Hedged-class		RMB0.1683	RMB0.2202
- SGD Hedged-class		SGD0.1622	SGD0.2093
- USD Class		USD0.1686	USD0.2154
		<u>USD0.1686</u>	<u>USD0.2154</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR		176,217	217,677
Movement due to units created and cancelled during the financial year			
Creation of units arising from applications		51,198	130,020
- AUD Hedged-class		482	844
- MYR Class		28,727	121,663
- MYR Hedged-class		14,528	5,292
- RMB Hedged-class		61	342
- SGD Hedged-class		647	405
- USD Class		6,753	1,474
Creation of units arising from distributions		13,101	7,093
- AUD Hedged-class		162	218
- MYR Class		10,372	3,491
- MYR Hedged-class		1,245	1,956
- RMB Hedged-class		287	398
- SGD Hedged-class		470	558
- USD class		565	472
Cancellation of units		(24,690)	(90,785)
- AUD Hedged-class		(672)	(1,476)
- MYR Class		(14,064)	(56,197)
- MYR Hedged-class		(8,454)	(28,047)
- RMB Hedged-class		(62)	(874)
- SGD Hedged-class		(617)	(2,301)
- USD Class		(821)	(1,890)

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 MAY 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Decrease in net assets attributable to unitholders during the financial year		(45,269)	(87,788)
- AUD Hedged-class		(463)	(1,338)
- MYR Class		(20,132)	(17,898)
- MYR Hedged-class		(22,138)	(60,946)
- RMB Hedged-class		(764)	(2,106)
- SGD Hedged-class		(884)	(3,077)
- USD Class		(888)	(2,423)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR		<u>170,557</u>	<u>176,217</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023**

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		84,055	56,745
Purchase of investments		(92,782)	(118,783)
Dividend received		25,282	16,379
Management fee rebate received		2,062	2,120
Management fee paid		(2,433)	(2,564)
Trustee fee paid		(99)	(103)
Payment for other fees and expenses		(4,965)	(4,977)
Net realised foreign currency exchange gain/(loss)		991	(381)
Realised loss on forward foreign currency contracts		(5,205)	(1,045)
Tax paid		-	(225)
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		6,906	(52,834)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		50,988	133,666
Payments for cancellation of units		(40,539)	(74,894)
Payment for distributions		(11,627)	(9,237)
		<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities		(1,178)	49,535
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,728	(3,299)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(1,122)	(175)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		7,261	10,735
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		11,867	7,261
		<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 31 May 2023 and 31 May 2022 comprise of bank balances.

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note M.

(a) Standards, amendments to published standards and interpretations that are effective:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2021 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 ‘Financial Instruments: Presentation’ does not impact the current or non-current classification of the convertible instrument.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective: (continued)

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Dividend income

Dividend income for financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

Realised gains and loss on sale of investments

For collective investment schemes ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C FINANCE COST

A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee of the Fund.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in United States Dollar (“USD”), which is the Fund’s functional and presentation currency.

F FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Fund’s debt securities are solely payment of principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

Investment in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from broker and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to Manager, amount due to Trustee, auditors’ remuneration, tax agent’s fee and other payables and accruals as financial liabilities measured at amortised cost.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign currency transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the financial year which they arise.

Investment in CIS is valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position as at 31 May 2023 and 31 May 2022.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

(iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial year.

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I AMOUNT DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from broker balance is held for collection. Refer to Note G for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit impaired.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

I AMOUNT DUE FROM/(TO) BROKERS (CONTINUED)

Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

J DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative position will be "marked to market" at the close of each valuation day.

Foreign exchange gains and losses on the derivative financial instruments are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

K CREATION AND CANCELLATION OF UNITS

The unitholders' capital to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in six classes of units, known respectively as the AUD Hedged-class, MYR Class, MYR Hedged-class, RMB Hedged-class, SGD Hedged-class and USD Class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

L INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) The Fund's sole investment is in a collective investment scheme denominated in USD.
- ii) Significant portion of the Fund's cash denominated in USD for the purpose of making settlement of foreign trades and expenses.
- iii) Significant portion of the Fund's expenses are denominated in USD.

N REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised amounts in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series – Emerging Markets Short Duration Fund (the “Fund”) pursuant to the execution of a Deed dated 5 March 2019 (the “Deed”) entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 18 March 2019 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

The Fund may invest in any of the following assets, subject to the Deed, the Fund’s objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Collective investment scheme;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund’s objective.

All investments will be subjected to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deed and the objective of the Fund.

The main objective of the Fund is to provide regular income over medium to long term period.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 28 July 2023.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		11,867	-	11,867
Amount due from broker				
- creation of units		210	-	210
- management fee rebate receivables		190	-	190
Collective investment scheme	8	-	164,626	164,626
Total		<u>12,267</u>	<u>164,626</u>	<u>176,893</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	9	-	3,398	3,398
Amount due to Manager				
- management fee		224	-	224
- cancellation of units		42	-	42
Amount due to Trustee		9	-	9
Auditors' remuneration		1,735	-	1,735
Tax agent's fee		759	-	759
Other payables and accruals		230	-	230
Total		<u>2,999</u>	<u>3,398</u>	<u>6,397</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		7,261	-	7,261
Amount due from broker		25,559	-	25,559
Amount due from Manager				
- management fee rebate receivables		198	-	198
Collective investment scheme	8	-	167,205	167,205
Total		<u>33,018</u>	<u>167,205</u>	<u>200,223</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2022</u> (continued)				
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	9	-	3,348	3,348
Amount due to Manager				
- management fee		239	-	239
- cancellation of units		15,891	-	15,891
Amount due to Trustee		10	-	10
Auditors' remuneration		1,828	-	1,828
Tax agent's fee		800	-	800
Other payables and accruals		1,730	-	1,730
Total		<u>20,498</u>	<u>3,348</u>	<u>23,846</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	<u>2023 USD</u>	<u>2022 USD</u>
Quoted investment		
Collective investment scheme	<u>164,626</u>	<u>167,205</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's loss after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2022: 4%) and decreased by 5% (2022: 4%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>loss after</u> <u>tax/NAV</u> USD
<u>2023</u>		
-5%	156,395	(8,231)
0%	164,626	-
+5%	172,857	8,231
	<u> </u>	<u> </u>
<u>2022</u>		
-4%	165,533	(1,672)
0%	167,205	-
+4%	168,877	1,672
	<u> </u>	<u> </u>

b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 31 May 2023 and 31 May 2022, the Fund is not exposed to any interest rate risk.

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/loss. The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>			
<u>Financial assets</u>			
Australian Dollar	442	-	442
Renminbi	271	-	271
Malaysia Ringgit	1,456	210	1,666
Singapore Dollar	657	-	657
	<u>2,826</u>	<u>210</u>	<u>3,036</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD
<u>Financial liabilities</u>			<u>Total</u> USD
Australian Dollar	152	-	1,237
Renminbi	228	-	2,354
Malaysian Ringgit	2,998	2,766	160,247
Singapore Dollar	20	-	3,612
	<u>3,398</u>	<u>2,766</u>	<u>161,286</u>
			<u>167,450</u>

* Other liabilities consist of amount due to Manager, auditors' remuneration, tax agent's fee, and other payables and accruals.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund: (continued)

			Cash and cash equivalents USD	Total USD
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar			248	248
Renminbi			430	430
Malaysian Ringgit			353	353
Singapore Dollar			162	162
			<u>1,193</u>	<u>1,193</u>
	Forward foreign currency contracts USD	Other liabilities* USD	Net assets attributable to unitholders USD	Total USD
<u>Financial liabilities</u>				
Australian Dollar	16	-	1,576	1,592
Renminbi	47	-	2,604	2,651
Malaysian Ringgit	3,247	20,409	164,399	188,055
Singapore Dollar	38	-	3,976	4,014
	<u>3,348</u>	<u>20,409</u>	<u>172,555</u>	<u>196,312</u>

* Other liabilities consist of amount due to Manager, auditors' remuneration, tax agent's fee and other payables and accruals.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by each currency's respective historical volatility.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change <u>in price</u> %	Impact on loss after <u>tax/NAV</u> USD
<u>2023</u>		
Australian Dollar	+/- 13.86	-/+ 110
Renminbi	+/- 6.29	-/+ 131
Malaysian Ringgit	+/- 5.75	-/+ 9,131
Singapore Dollar	+/- 5.76	-/+ 170
<hr/>		
<u>2022</u>		
Australian Dollar	+/- 10.13	-/+ 136
Renminbi	+/- 3.92	-/+ 87
Malaysian Ringgit	+/- 3.42	-/+ 6,417
Singapore Dollar	+/- 4.11	-/+ 158
<hr/>		

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders, liquid assets comprise cash and other instruments, which are capable of being converted into cash within 7 days.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	3,398	-	3,398
Amount due to Manager			
- management fees	224	-	224
- cancellation of units	42	-	42
Amount due to Trustee	9	-	9
Auditors' remuneration	-	1,735	1,735
Tax agent fee	-	759	759
Other payables and accruals	-	230	230
Net assets attributable to unitholders*	170,557	-	170,557
	<u>174,230</u>	<u>2,724</u>	<u>176,954</u>
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	3,348	-	3,348
Amount due to Manager			
- management fees	239	-	239
- cancellation of units	15,891	-	15,891
Amount due to Trustee	10	-	10
Auditors' remuneration	-	1,828	1,828
Tax agent fee	-	800	800
Other payables and accruals	-	1,730	1,730
Net assets attributable to unitholders*	176,217	-	176,217
	<u>195,705</u>	<u>4,358</u>	<u>200,063</u>

* Units are redeemed on demand at the unitholder's option (Note K). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term return.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

The following table sets out the credit risk concentration and counterparties of the Fund:

	<u>Cash and cash equivalents</u> USD	<u>Other assets*</u> USD	<u>Total</u> USD
<u>2023</u>			
Financial Services			
- AAA	11,867	-	11,867
Others			
- NR	-	400	400
	<u>11,867</u>	<u>400</u>	<u>12,267</u>
<u>2023</u>			
Financial Services			
- AAA	7,261	-	7,261
Others			
- NR	-	25,757	25,757
	<u>7,261</u>	<u>25,757</u>	<u>33,018</u>

* Other assets consist of amount due from Manager and amount due from broker.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the year end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets and financial liabilities (by class) measured at fair value:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	164,626	-	-	164,626
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	3,398	-	3,398
<u>2022</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	167,205	-	-	167,205
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	3,348	-	3,348

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These includes forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from broker, amount due from Manager and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short-term nature.

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 May 2023, management fee is recognised at a rate of 1.50% (2022: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis, as stated in the Fund's Information Memorandum.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, excluding of foreign custodian fees and charges.

For the financial year ended 31 May 2023, the Trustee's fee is recognised at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, as stated in the Fund's Information Memorandum.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.

**AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT
DURATION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

6 DISTRIBUTIONS

	<u>2023</u> USD	<u>2022</u> USD
Distributions to unitholders is from the following sources:		
Dividend income	24,728	16,330
Gross realised income	24,728	16,330
Less: Expenses	-	-
Net distribution amount	<u>24,728</u>	<u>16,330</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

6 DISTRIBUTIONS (CONTINUED)

During the financial year ended 31 May 2023, distribution were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit (sen)</u>					
	<u>AUD-Hedged class</u> AUD	<u>RMB-Hedged class</u> RMB	<u>MYR Class</u> RM	<u>MYR-Hedged class</u> RM	<u>SGD-Hedged class</u> SGD	<u>USD Class</u> USD
15.06.2022	0.220	0.250	0.250	0.240	0.240	0.240
20.07.2022	0.220	0.230	0.250	0.230	0.220	0.230
17.08.2022	0.210	0.240	0.250	0.230	0.220	0.230
21.09.2022	0.220	0.250	0.250	0.240	0.230	0.240
19.10.2022	0.220	0.230	0.250	0.220	0.220	0.220
16.11.2022	0.200	0.230	0.250	0.220	0.220	0.230
21.12.2022	0.210	0.230	0.250	0.220	0.220	0.230
18.01.2023	0.200	0.230	0.250	0.220	0.220	0.230
15.02.2023	0.210	0.230	0.250	0.230	0.220	0.230
15.03.2023	0.230	0.250	0.250	0.230	0.240	0.240
19.04.2023	0.211	0.235	0.263	0.232	0.223	0.840
17.05.2023	0.211	0.233	0.226	0.233	0.225	0.231
	<u>2.562</u>	<u>2.838</u>	<u>2.989</u>	<u>2.745</u>	<u>2.698</u>	<u>3.391</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

6 DISTRIBUTIONS (CONTINUED)

During the financial year ended 31 May 2022, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit (sen)</u>					
	<u>AUD-Hedged class</u> AUD	<u>RMB-Hedged class</u> RMB	<u>MYR Class</u> RM	<u>MYR-Hedged class</u> RM	<u>SGD-Hedged class</u> SGD	<u>USD Class</u> USD
16.06.2021	0.19	0.21	0.21	0.20	0.20	0.21
21.07.2021	0.25	0.25	0.25	0.25	0.25	0.25
18.08.2021	0.20	0.23	0.25	0.25	0.23	0.23
20.09.2021	0.21	0.22	0.25	0.21	0.21	0.22
20.10.2021	0.22	0.25	0.25	0.25	0.25	0.25
16.11.2021	0.20	0.21	0.23	0.20	0.20	0.21
15.12.2021	0.25	0.25	0.25	0.25	0.25	0.25
19.01.2022	0.19	0.22	0.22	0.23	0.20	0.21
16.02.2022	0.21	0.25	0.25	0.22	0.22	0.25
16.03.2022	0.22	0.22	0.22	0.25	0.24	0.22
20.04.2022	0.20	0.25	0.17	0.21	0.21	0.22
18.05.2022	0.23	0.25	0.20	0.24	0.23	0.23
	<u>2.57</u>	<u>2.81</u>	<u>2.75</u>	<u>2.76</u>	<u>2.69</u>	<u>2.75</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

During the financial year ended 31 May 2023, the Fund incurred unrealised loss of USD9,595 (2022: USD65,652).

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

7 TAXATION

	<u>2023</u> USD	<u>2022</u> USD
Current taxation	-	385
Over provision of taxation in prior year	(221)	-
	<u> </u>	<u> </u>

The numerical reconciliation between net loss before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	<u>2023</u> USD	<u>2022</u> USD
Net loss before taxation	(45,490)	(87,403)
Tax at Malaysian statutory rate of 24% (2022: 24%)	(10,918)	(20,977)
Tax effects of:		
Investment loss not subject to tax	4,124	15,693
Expenses not deductible for tax purposes	6,327	4,675
Restriction on tax deduction expenses for Wholesale Funds	467	609
Foreign income subject to different tax rate	-	385
Over provision of taxation in prior year	(221)	-
Tax expense	<u>(221)</u>	<u>385</u>

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	164,626	167,205
	<u> </u>	<u> </u>
	<u>2023</u> USD	<u>2022</u> USD
Net loss in on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(28,442)	(14,409)
- unrealised loss on changes in fair value	(8,423)	(61,062)
- management fee rebate on collective investment scheme #	2,049	2,090
	<u>(34,816)</u>	<u>(73,381)</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

In arriving at the fair value of collective investment scheme ("CIS"), the management fee initially paid to the Manager of CIS has been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in CIS has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of CIS is reflected as an increase in the NAV of the CIS.

(a) Collective investment scheme

(i) Collective investment scheme as at 31 May 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Ashmore SICAV - Emerging Markets Short Duration Fund - (Retail Income II USD)	4,628	234,738	164,626	96.52
Total collective investment scheme	<u>4,628</u>	<u>234,738</u>	<u>164,626</u>	<u>96.52</u>
Accumulated unrealised loss on collective investment scheme		<u>(70,112)</u>		
Total collective investment scheme		<u>164,626</u>		

(ii) Collective investment scheme as at 31 May 2022 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Ashmore SICAV - Emerging Markets Short Duration Fund - (Retail Income II USD)	3,717	228,894	167,205	94.89
Total collective investment scheme	<u>3,717</u>	<u>228,894</u>	<u>167,205</u>	<u>94.89</u>
Accumulated unrealised loss on collective investment scheme		<u>(61,689)</u>		
Total collective investment scheme		<u>167,205</u>		

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 31 May 2023 is as follows:

	<u>Percentage of Target Fund's NAV</u> %
Petroleos De Venezuela 8.5% 27/10/2020(Regs)	24.60
Cimpor Financial Opertns 5.75% 17/07/2024 (Regs)	7.10
Abra Global Finance 11.5% Ssn 02/03/2028	5.70
Puma International Fin 5.125% 06/10/2024 (Regs)	4.90
Ypf Sociedad Anonima 4% 12/02/2026 (Regs)	4.70
Petroleos Mexicanos 6.875% 16/10/2025	4.10
Medco Bell Pte Ltd 6.375% 30/01/2027	2.70
Tullow Oil Plc 10.25% 15/05/2026 (Regs)	2.60
Grupo Axo Sa De Cv 5.75% 08/06/2026 (Regs)	2.50
Kosmos Energy Ltd 7.125% 04/04/2026 (Regs)	2.00
Total	<u>60.90</u>

(ii) The Target Fund's top 10 holdings as at 31 May 2022 is as follows:

	<u>Percentage of Target Fund's NAV</u> %
Petroleos De Venezuela 8.5% 27/10/2020(Regs)	10.10
Petroleos Mexicanos 6.875% 16/10/2025	8.00
Cimpor Financial Opertns 5.75% 17/07/2024 (Regs)	7.60
Oi Sa 10% 27/07/2025	6.20
Puma International Fin 5.125% 06/10/2024 (Regs)	4.80
Gol finance 7% 31/01/2025 (Regs)	4.10
Digicel Intl Finance 8.75% 25/05/2024 (Regs)	4.00
Ypf Sociedad Anonima 4% 12/02/2026 (Regs)	3.90
Azul Investments Llp 5.875% 26/10/2024	3.60
Digicel Group 10% 01/04/2024	3.50
Total	<u>55.80</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

9 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 4 (2022: 4) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD69,964 (2022: USD94,375). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Hedged-classes denominated in Australian Dollar, Malaysian Ringgit, Singapore Dollar and Chinese Yuan. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2023</u> USD	<u>2022</u> USD
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	3,398	3,348
	<u>3,398</u>	<u>3,348</u>
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised loss on forward foreign currency contracts	(5,205)	(1,044)
- unrealised loss on changes in fair value	(50)	(4,415)
	<u>(5,255)</u>	<u>(5,459)</u>

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 31 May 2023 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
CIMB Bank Bhd	69,964	73,362	(3,398)	(1.99)
Total forward foreign currency contracts	<u>69,964</u>	<u>73,362</u>	<u>(3,398)</u>	<u>(1.99)</u>

(ii) Forward foreign currency contracts as at 31 May 2022 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
CIMB Bank Bhd	94,375	97,723	(3,348)	(1.90)
Total forward foreign currency contracts	<u>94,375</u>	<u>97,723</u>	<u>(3,348)</u>	<u>(1.90)</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

10 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	11,000	13,000
Creation of units arising from applications	4,561	4,529
Creation of units arising from distributions	1,501	1,183
Cancellation of units	(6,062)	(7,712)
At the end of the financial year	<u>11,000</u>	<u>11,000</u>
(b) MYR Class units in circulation	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	1,600,000	399,000
Creation of units arising from applications	646,742	1,970,586
Creation of units arising from distributions	236,427	55,495
Cancellation of units	(320,169)	(825,081)
At the end of the financial year	<u>2,163,000</u>	<u>1,600,000</u>
(c) MYR Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	1,601,000	1,896,000
Creation of units arising from applications	370,001	66,099
Creation of units arising from distributions	32,682	28,869
Cancellation of units	(212,683)	(389,968)
At the end of the financial year	<u>1,791,000</u>	<u>1,601,000</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(d) RMB Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	79,000	87,000
Creation of units arising from applications	2,375	6,918
Creation of units arising from distributions	11,187	9,264
Cancellation of units	(2,562)	(24,182)
At the end of the financial year	<u>90,000</u>	<u>79,000</u>
(e) SGD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	26,000	32,000
Creation of units arising from applications	5,187	2,231
Creation of units arising from distributions	3,805	2,822
Cancellation of units	(4,992)	(11,053)
At the end of the financial year	<u>30,000</u>	<u>26,000</u>
(f) USD Class units in circulation	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	17,000	17,000
Creation of units arising from applications	39,557	5,144
Creation of units arising from distributions	3,248	1,729
Cancellation of units	(4,805)	(6,873)
At the end of the financial year	<u>55,000</u>	<u>17,000</u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

11 TRANSACTIONS WITH BROKER

(i) Details of transaction with the broker for the financial year ended 31 May 2023 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Northern Trust Global Services SE	125,996	100.00

(ii) Details of transaction with the broker for the financial year ended 31 May 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Northern Trust Global Services SE	208,304	100.00

12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L P. ("CVC Asia V")	Ultimate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The related parties of and their relationship with the Fund are as follows: (continued)

<u>Related parties</u>	<u>Relationship</u>
Nikko Asset Management Co., Ltd (“NAM”)	Substantial shareholder of the Manager
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (“AHAM”)	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

The units held by the Manager as at the end of the financial year are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>No. of units</u>	<u>USD</u>	<u>No. of units</u>	<u>USD</u>
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the units are held legally for booking purposes)				
- AUD Hedged-class	10,807	1,066	10,836	1,553
- MYR class	3,047	129	2,267	122
- MYR Hedged-class	3,298	116	3,290	161
- RMB Hedged-class	20,833	492	19,834	655
- SGD Hedged-class	10,283	1,231	9,167	1,402
- USD class	3,292	555	2,020	435
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)**

13 TOTAL EXPENSE RATIO (“TER”)

	<u>2023</u> %	<u>2022</u> %
TER	3.62	4.78

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E) \times 100}{F}$$

- A = Management fee, excluding management fee rebates
- B = Trustee fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses
- F = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD161,18xx5 (2022: USD168,648).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2023</u>	<u>2022</u>
PTR (times)	0.56	0.64

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where: total acquisition for the financial year = USD92,782 (2022: USD118,783)
total disposal for the financial year = USD86,937 (2022: USD96,713)

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023 (CONTINUED)

15 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Change in corporate shareholding of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad).

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

Change in substantial shareholders of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divest all its equity interest of 27% in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of equity interest to Lembaga Tabung Angkatan Tentera ("LTAT") resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad), do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 39 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 May 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AHAM ASSET MANAGEMENT BERHAD
(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD)

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
28 July 2023

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT DURATION FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series – Emerging Markets Short Duration Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 May 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 39.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT
DURATION FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT
DURATION FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - EMERGING MARKETS SHORT
DURATION FUND (CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
28 July 2023

DIRECTORY OF SALES OFFICE

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AHAM Asset Management Berhad

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