

Affin Hwang World Series - China Allocation Opportunity Fund

Annual Report
30 April 2021

Out **think.** Out **perform.**



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG WORLD SERIES – CHINA ALLOCATION OPPORTUNITY FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 30 April 2021

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FUND INFORMATION

Fund Name	Affin Hwang World Series – China Allocation Opportunity Fund	
Fund Type	Growth & Income	
Fund Category	Feeder Wholesale	
Investment Objective	The Fund seeks to achieve capital appreciation and regular income over 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:	
	Class(es)	Frequency
	USD Class	Monthly
	MYR Class	
	MYR Hedged-Class	
	SGD Hedged-Class	Quarterly
	AUD Hedged-Class	
	GBP Hedged-Class	
	EUR Hedged-Class	
	RMB Hedged-Class	

BREAKDOWN OF UNITHOLDERS BY USD CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	5	153
50,001 to 500,000	2	562
500,001 and above	3	12,714
Total	10	13,429

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY MYR CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	0
5,001 to 10,000	14	120
10,001 to 50,000	25	556
50,001 to 500,000	12	2,452
500,001 and above	7	38,654
Total	61	41,782

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY MYR HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	0
5,001 to 10,000	11	96
10,001 to 50,000	40	937
50,001 to 500,000	28	4,520
500,001 and above	6	307,252
Total	88	312,805

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SGD HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	4	119
50,001 to 500,000	2	248
500,001 and above	3	11,807
Total	9	12,174

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY AUD HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	2	55
50,001 to 500,000	0	0
500,001 and above	3	27,315
Total	5	27,370

** Note : Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 30 Apr 2021 (%)					As at 30 Apr 2020 (%)				
Portfolio composition										
Collective investment scheme	97.09					95.84				
Cash and cash equivalent	2.91					4.16				
Total	100.00					100.00				
Currency class	USD Class	MYR Class	MYR Hedged-class	AUD Hedged-class	SGD Hedged-class	USD Class	MYR Class	MYR Hedged-class	AUD Hedged-class	SGD Hedged-class
Total NAV (million)	7.968	24.322	176.257	16.006	6.961	0.542	1.235	16.378	0.7616	0.0372
NAV per Unit (in respective currencies)	0.5932	0.5821	0.5635	0.5848	0.5712	0.5262	0.5420	0.4975	0.5267	0.5099
Unit in Circulation (million)	13.432	41.785	312.809	27.372	12.188	1.030	2.278	32.922	1.446	0.073
Highest NAV	0.6509	0.6321	0.6178	0.6428	0.6280	0.5622	0.5616	0.5310	0.5620	0.5561
Lowest NAV	0.5243	0.5420	0.4959	0.5247	0.5072	0.4828	0.4912	0.4588	0.4876	0.4726
Return of the Fund (%)	17.20	11.38	17.83	15.23	15.93	9.75	11.36	0.82	6.80	4.79
- Capital Growth (%)	12.73	7.40	13.27	11.03	12.02	5.24	8.40	-0.50	5.34	1.98
- Income Distribution (%)	3.96	3.70	4.03	3.78	3.49	4.29	2.73	1.33	1.38	2.76
Gross Distribution per Unit (sen)	2.28	2.12	2.20	2.16	1.94	2.22	1.44	0.68	0.75	1.40
Net Distribution per Unit (sen)	2.28	2.12	2.20	2.16	1.94	2.22	1.44	0.68	0.75	1.40
Management Expense Ratio (%) ¹			1.91					2.90		
Portfolio Turnover Ratio (times) ²			1.32					2.71		

¹The MER of the Fund was lower due to higher average Net Asset Value for the financial year.

²The PTR of the Fund was lower due to higher average Net Asset Value for the financial year.

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 distributions are as follow:

USD Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19-May-20	20-May-20	0.5340	0.0022	0.5357
16-Jun-20	17-Jun-20	0.5426	0.0025	0.5396
18-Aug-20	19-Aug-20	0.5850	0.0021	0.5786
16-Sep-20	17-Sep-20	0.5862	0.0017	0.5823
20-Oct-20	21-Oct-20	0.5913	0.0017	0.5918
17-Nov-20	18-Nov-20	0.5925	0.0023	0.5909
15-Dec-20	16-Dec-20	0.5914	0.0021	0.5922
19-Jan-21	20-Jan-21	0.6207	0.002	0.6242
16-Feb-21	17-Feb-21	0.6500	0.002	0.6480
16-Mar-21	17-Mar-21	0.6077	0.0022	0.6066
20-Apr-21	21-Apr-21	0.5953	0.002	0.5914

MYR Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19-May-20	20-May-20	0.5567	0.0025	0.5581
16-Jun-20	17-Jun-20	0.5554	0.0024	0.5534
18-Aug-20	19-Aug-20	0.5858	0.0021	0.5784
16-Sep-20	17-Sep-20	0.5802	0.0017	0.5768
20-Oct-20	21-Oct-20	0.5878	0.0017	0.5871
17-Nov-20	18-Nov-20	0.5824	0.0023	0.5781
15-Dec-20	16-Dec-20	0.5737	0.0011	0.5752
19-Jan-21	20-Jan-21	0.6027	0.0011	0.6061
16-Feb-21	17-Feb-21	0.6287	0.0021	0.6279
16-Mar-21	17-Mar-21	0.6003	0.0021	0.6003
20-Apr-21	21-Apr-21	0.5884	0.0021	0.5848

MYR Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19-May-20	20-May-20	0.5052	0.0019	0.5069
16-Jun-20	17-Jun-20	0.5137	0.0022	0.5111
18-Aug-20	19-Aug-20	0.5548	0.0023	0.5485
16-Sep-20	17-Sep-20	0.5556	0.0021	0.5513
20-Oct-20	21-Oct-20	0.5608	0.0017	0.5612
17-Nov-20	18-Nov-20	0.5614	0.0023	0.5597
15-Dec-20	16-Dec-20	0.5602	0.0016	0.5614
19-Jan-21	20-Jan-21	0.5889	0.0019	0.5921
16-Feb-21	17-Feb-21	0.6169	0.0019	0.6150
16-Mar-21	17-Mar-21	0.5773	0.002	0.5765
20-Apr-21	21-Apr-21	0.5657	0.0021	0.5618

AUD Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19-May-20	20-May-20	0.5340	0.0022	0.5356
16-Jun-20	17-Jun-20	0.5413	0.0022	0.5387
18-Aug-20	19-Aug-20	0.5814	0.0023	0.5746
16-Sep-20	17-Sep-20	0.5827	0.0017	0.5788
20-Oct-20	21-Oct-20	0.5874	0.0017	0.5878
17-Nov-20	18-Nov-20	0.5869	0.0023	0.5853
15-Dec-20	16-Dec-20	0.5840	0.0014	0.5854
19-Jan-21	20-Jan-21	0.6129	0.0017	0.6167
16-Feb-21	17-Feb-21	0.6418	0.0019	0.6399
16-Mar-21	17-Mar-21	0.5993	0.002	0.5984
20-Apr-21	21-Apr-21	0.5871	0.0022	0.5831

SGD Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19-May-20	20-May-20	0.5174	0.0025	0.5186
16-Jun-20	17-Jun-20	0.5233	0.0024	0.5205
18-Aug-20	19-Aug-20	0.5619	0.001	0.5568
16-Sep-20	17-Sep-20	0.5638	0.0003	0.5614
20-Oct-20	21-Oct-20	0.5705	0.0017	0.5710
17-Nov-20	18-Nov-20	0.5716	0.0023	0.5700
15-Dec-20	16-Dec-20	0.5700	0.0011	0.5715
19-Jan-21	20-Jan-21	0.5989	0.0015	0.6027
16-Feb-21	17-Feb-21	0.6270	0.0021	0.6248
16-Mar-21	17-Mar-21	0.5859	0.002	0.5850
20-Apr-21	21-Apr-21	0.5738	0.0025	0.5695

No unit splits were declared for the financial year ended 30 April 2021.

Performance Review

USD Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a return of 17.20%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2021 was USD0.5932 while the NAV as at 30 April 2020 was USD0.5262. During the same period under review, the Fund has declared a total gross income distribution of USD0.0228 per unit.

Since commencement, the Fund registered a return of 28.63%. The Fund has met its investment objective.

MYR Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a return of 11.38%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2021 was MYR0.5821 while the NAV as at 30 April 2020 was MYR0.5420. During the same period under review, the Fund has declared a total gross income distribution of MYR0.0212 per unit.

Since commencement, the Fund registered a return of 24.02%. The Fund has met its investment objective.

AUD Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a return of 15.23%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2021 was AUD0.5848 while the NAV as at 30 April 2020 was AUD0.5267. During the same period under review, the Fund has declared a total gross income distribution of AUD0.0216 per unit.

Since commencement, the Fund registered a return of 23.06%. The Fund has met its investment objective.

MYR Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a return of 17.83%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2021 was MYR0.5635 while the NAV as at 30 April 2020 was MYR0.4975. During the same period under review, the Fund has declared a total gross income distribution of MYR0.0220 per unit.

Since commencement, the Fund registered a return of 18.79%. The Fund has met its investment objective.

SGD Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a return of 15.93%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2021 was SGD0.5712 while the NAV as at 30 April 2020 was SGD0.5099. During the same period under review, the Fund has declared a total gross income distribution of SGD0.0194 per unit.

Since commencement, the Fund registered a return of 21.48%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	Since Commencement (4/3/19 - 30/4/21)
USD Class	17.20%	28.63%
MYR Class	11.38%	24.02%
AUD Hedged-Class	15.23%	23.06%
MYR Hedged-Class	17.83%	18.79%
SGD Hedged-Class	15.93%	21.48%

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	Since Commencement (4/3/19 - 30/4/21)
USD Class	17.20%	12.35%
MYR Class	11.38%	10.47%
AUD Hedged-Class	15.23%	10.08%
MYR Hedged-Class	17.83%	8.29%
SGD Hedged-Class	15.93%	9.42%

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (4/3/19 - 30/4/20)
USD Class	17.20%	9.75%
MYR Class	11.38%	11.36%
AUD Hedged-Class	15.23%	6.80%
MYR Hedged-Class	17.83%	0.82%
SGD Hedged-Class	15.93%	4.79%

Figure 1: Movement of the Fund since commencement.



"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) 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 30 April 2021, the asset allocation of the Fund's exposure to the collective investment scheme stood at 97.09% of the Fund's NAV, while the balance was held in cash.

Strategies Employed

We maintained our overweight in equity throughout the month of April in light of continue economic recovery. We have a preference towards offshore equity market given improving sentiment towards risk internationally. Among the offshore equities, we have a preference towards H-shares givens it's higher exposure in Financials that are poised to benefit in pro-cyclical environment aligned with our reflationary view. Within the fixed income, we had an overweight to credits and an underweight to rates. We favor high yield over investment grade given its attractive carry and higher than expected implied default risk priced in the market. We maintained our RMB hedged position against about half of our onshore assets as we see the upside of RMB appreciation is limited in the shorter term.

Market Review

China market gave back further gains from last year and saw volatility driven higher during the month of March. The National People's Congress in early March set out China's economic forecasts and policy agenda. The lower-than-expected GDP growth target of "over 6%" sparked concerns that monetary policy might be tightened to rein in the economy, but the "no sharp turns" policy stance was also reiterated by the government and the central bank. Monetary policy will remain prudent and flexible, although with tighter scrutiny of lending to the property sector. Foreign policy tensions persist, with the US, EU, UK, and Canada imposing sanctions on Chinese officials and entities over alleged forced labor issues in Xinjiang. China has retaliated proportionally.

During the month of April, there was some volatility in the equity market which stabilized towards the end of month with most major market indices landing in positive territory except for the largest Mainland securities listed in Hong Kong. The equity markets were rebounding at the back of strong economic data. China's economy has continued to rebound swiftly, with data showing first quarter growth of 18.3% y/y after a contraction of 6.8% y/y in the same period in 2020. Meanwhile, a 34.2% y/y rise in retail sales in March, after a 15.8% y/y contraction in March 2020, indicated that domestic demand has revived. Over the month, headlines continued to come from the Chinese regulators on the back of widening efforts on antimonopoly investigation and tightening oversight of online finance services providers. Rivalry with the US remains a potential threat. On 9 April, more Chinese entities, including seven supercomputing companies, were added to the US entity list, barring US companies from exporting technology to them without a license. But there were also signs of the potential for improved collaboration. The first China-US climate working group meeting took place during 15–16 April and concluded on a positive note. Sentiment remained optimistic in the secondary bond market as liquidity in the current tax payment season was looser than the market expected. China sovereign bond yield curve shifted downward overall during the month with the yield compressed more on the short end.

Investment Outlook

Global economy continues to recover as people are getting more optimistic with the roll out of vaccination. While China is ahead of the curve, its economy has been resilient. Positive April PMI data with export data shooting out green lights were underpinned by the recovery and reopening theme that continue to push on.

Beijing has pledged to avoid an abrupt turn in policy from stimulus to tightening – even as it adjusts the magnitude of its support – and outlined a course of action aligned with this commitment. Policy support is being more targeted towards small and medium-sized enterprises, with an eye on increasing employment and consumption, as well as making progress on medium-term economic development goals. The government is on track for only a modest fiscal consolidation, and is aiming to only stabilize, rather than decrease, China's aggregate macro leverage.

We expect continued equity gains so long as there is no abrupt withdrawal of accommodation. In terms of geopolitics, the new US administration will be more predictable in its relations with China, while continuing the process of economic decoupling in areas of strategic importance. We have a slight risk on tilt as the economy continues to recover and expect consumption to pick up further. With the reflationary and a pro-cyclical tilt, we are constructive on financials. In addition, we would continue to monitor the situation on COVID cases and vaccination progress. In our view, being selective and flexible in asset allocation remain key to navigate the market in 2021.

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

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, 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 period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

Cross Trade

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

TRUSTEE’S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – CHINA ALLOCATION OPPORTUNITY FUND

We have acted as Trustee of Affin Hwang World Series – China Allocation Opportunity Fund (“the Fund”) for the financial year ended 30 April 2021. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission’s Guidelines on Unlisted Capital Market Product under the Lodge and Launch Framework and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

During this financial period, a distribution of 2.28 sen per unit (net) for USD Class, 2.12 sen per unit (net) for MYR Class, 2.20 sen per unit (net) for MYR Hedged-Class, 2.16 sen per unit (net) for AUD Hedged-Class and 1.93 sen per unit (net) for SGD Hedged-Class has been distributed to unit holders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
18 June 2021

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

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AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

		Financial year ended 30.4.2021 USD	Financial period from 18.1.2019 (date of launch) to 30.4.2020 USD
	Note		
INVESTMENT INCOME/(LOSS)			
Dividend income		1,396,103	75,516
Interest income from financial assets at amortised cost		486	162
Net gain/(loss) on foreign currency exchange		13,314	(17,858)
Net gain/(loss) on forward foreign currency contract at fair value through profit or loss		736,132	(143,306)
Net loss on financial assets at fair value through profit or loss	9	(710,376)	(180,965)
		<u>1,435,659</u>	<u>(266,451)</u>
EXPENSES			
Management fee	4	(469,612)	(26,265)
Trustee fee	5	(15,648)	(874)
Fund accounting fee	6	(3,653)	(544)
Auditors' remuneration		(1,927)	(1,789)
Tax agent's fee		(843)	(835)
Other expenses		(7,123)	(2,716)
		<u>(498,806)</u>	<u>(33,023)</u>
NET PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		936,853	(299,474)
FINANCE COST			
Distributions	8	(1,059,316)	(43,987)
NET LOSS BEFORE TAXATION		<u>(122,463)</u>	<u>(343,461)</u>
Taxation	7	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(122,463)</u>	<u>(343,461)</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

	<u>Note</u>	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
Decrease in net assets attributable to unitholders comprise the following:			
Realised amount		566,177	(52,125)
Unrealised amount		(688,640)	(291,336)
		<u>(122,463)</u>	<u>(343,461)</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 - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
ASSETS			
Cash and cash equivalents		1,833,365	301,341
Financial assets at fair value through profit or loss	9	72,595,909	4,948,857
Amount due from Manager			
- creation of units		1,391,386	38,433
- management fee rebate receivable		80,388	5,369
Forward foreign currency contracts at fair value through profit or loss	10	424,707	13,589
TOTAL ASSETS		<u>76,325,755</u>	<u>5,307,589</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	180,405	121,145
Amount due to Manager			
- management fee		103,953	7,267
- cancellation of units		11,043	12,119
Amount due to Trustee		3,465	235
Amount due to broker		1,250,000	-
Auditors' remuneration		1,792	1,745
Tax agent's fee		805	814
Other payable and accruals		510	465
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>1,551,973</u>	<u>143,790</u>
NET ASSET VALUE OF THE FUND		<u>74,773,782</u>	<u>5,163,799</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>74,773,782</u>	<u>5,163,799</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD-Hedged class		12,461,778	498,489
- MYR class		5,952,417	287,186
- MYR-Hedged class		43,136,777	3,809,678
- SGD-Hedged class		5,254,687	26,417
- USD class		7,968,123	542,029
		<u>74,773,782</u>	<u>5,163,799</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD-Hedged class	11(a)	27,372,000	1,446,000
- MYR class	11(b)	41,785,000	2,278,000
- MYR-Hedged class	11(c)	312,809,000	32,922,000
- SGD-Hedged class	11(d)	12,188,000	73,000
- USD class	11(e)	13,432,000	1,030,000
		<u>407,586,000</u>	<u>37,749,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD-Hedged class		0.4553	0.3447
- MYR class		0.1425	0.1261
- MYR-Hedged class		0.1379	0.1157
- SGD-Hedged class		0.4311	0.3619
- USD class		<u>0.5932</u>	<u>0.5262</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD-Hedged class		AUD0.5848	AUD0.5267
- MYR class		RM0.5821	RM0.5420
- MYR-Hedged class		RM0.5635	RM0.4975
- SGD-Hedged class		SGD0.5712	SGD0.5099
- USD class		<u>USD0.5932</u>	<u>USD0.5262</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 - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH	5,163,799	-
Movement due to units created and cancelled during the financial year/period		
Creation of units arising from applications	70,246,081	7,590,217
- AUD-Hedged class	12,081,511	522,566
- MYR class	5,999,637	441,715
- MYR-Hedged class	39,285,113	4,602,458
- SGD-Hedged class	5,363,317	152,594
- USD class	7,516,503	1,870,884
Creation of units arising from distributions	1,036,701	43,960
- AUD-Hedged class	164,973	2,472
- MYR class	54,606	8,053
- MYR-Hedged class	636,018	27,186
- SGD-Hedged class	65,553	1,933
- USD class	115,551	4,316
Cancellation of units	(1,550,336)	(2,126,917)
- AUD-Hedged class	(408,438)	(442)
- MYR class	(323,086)	(163,470)
- MYR-Hedged class	(551,772)	(518,364)
- SGD-Hedged class	(131,418)	(133,053)
- USD class	(135,622)	(1,311,588)

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
Decrease in net assets attributable to unitholders during the financial year/period	(122,463)	(343,461)
- AUD-Hedged class	125,243	(26,107)
- MYR Class	(65,926)	888
- MYR-Hedged class	(42,260)	(301,602)
- SGD-Hedged class	(69,182)	4,943
- USD class	(70,338)	(21,583)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u><u>74,773,782</u></u>	<u><u>5,163,799</u></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 - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Financial year ended 30.4.2021 USD	Financial period from 18.1.2019 (date of launch) to 30.4.2020 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	-	507,113
Purchase of investments	(67,460,000)	(5,655,998)
Dividend received	1,396,103	75,516
Interest received	486	162
Rebate management fee received	277,553	13,694
Management fee paid	(372,926)	(18,998)
Trustee fee paid	(12,418)	(639)
Payment for other fees and expenses	(13,462)	(2,860)
Net realised foreign currency exchange loss	(9,137)	(23,587)
Realised gain/(loss) on forward foreign currency contracts	384,274	(35,750)
Net cash flows used in operating activities	(65,809,527)	(5,141,347)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	68,893,127	7,595,744
Payments for cancellation of units	(1,551,412)	(2,114,798)
Payment for distributions	(22,614)	(43,987)
Net cash flows generated from financing activities	67,319,101	5,436,959
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,509,574	295,612
EFFECTS OF FOREIGN CURRENCY EXCHANGE	22,450	5,729
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR/ DATE OF LAUNCH	301,341	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/ PERIOD	1,833,365	301,341

Cash and cash equivalents as at 30 April 2021 and 30 April 2020 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 - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

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 under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards ("MFRS").

The preparation of financial statements in conformity with MFRS 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/period. 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:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'

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 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 – 2020 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.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained 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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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.

Interest income

Interest income from short term deposits with licensed financial institutions are recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gains and losses 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 DISTRIBUTIONS

A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the period 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.

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

F FOREIGN CURRENCY TRANSLATIONS

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 the statement of comprehensive income.

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 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.

The Fund classifies cash and cash equivalents 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, amount due to broker, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

(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. Transaction costs are expensed in the statement of comprehensive income.

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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 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 period which they arise.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Investment in collective investment schemes are valued at the last published NAV per unit at the date of the statement of financial position.

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

(iii) Impairment

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.

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:

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets (continued)

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 write 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/period.

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances which are subject to an insignificant risk of change in value.

I CREATION AND CANCELLATION OF UNITS

The unitholders' contributions 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 five classes of units, known respectively as the AUD Hedged-class, MYR class, MYR 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 net asset value ("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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

I CREATION AND CANCELLATION OF UNITS (CONTINUED)

Units are created and cancelled at the unit holder's 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.

J AMOUNT DUE FROM/(TO) BROKER

Amounts due from and to broker 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.

K INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

L 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 positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument 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 negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the 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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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 amount 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 - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series – China Allocation Opportunity (the “Fund”) pursuant to the execution of a Deed dated 24 December 2018 as modified by First supplemental information memorandum dated 28 August 2019 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 4 March 2019 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deeds.

The Fund may invest in any of the following assets, subject to the Deed, the Fund’s objective, the Guidelines, the requirements of the Securities Commission (“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 Deeds and the objective of the Fund.

The main objective of the Fund is to achieve capital appreciation and 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 and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 18 June 2021.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,833,365	-	1,833,365
Collective investment scheme	9	-	72,595,909	72,595,909
Amount due from Manager				
- creation of units		1,391,386	-	1,391,386
- management fee rebate receivable		80,388	-	80,388
Forward foreign currency contracts at fair value through profit or loss	10	-	424,707	424,707
Total		3,305,139	73,020,616	76,325,755
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	10	-	180,405	180,405
Amount due to Manager				
- management fee		103,953	-	103,953
- cancellation of units		11,043	-	11,043
Amount due to Trustee		3,465	-	3,465
Amount due to broker		1,250,000	-	1,250,000
Auditors' remuneration		1,792	-	1,792
Tax agent's fee		805	-	805
Other payables and accruals		510	-	510
Total		1,371,568	180,405	1,551,973

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents		301,341	-	301,341
Collective investment scheme	9	-	4,948,857	4,948,857
Amount due from Manager				
- creation of units		38,433	-	38,433
- management fee rebate receivable		5,369	-	5,369
Forward foreign currency contracts at fair value through profit or loss	10	-	13,589	13,589
Total		<u>345,143</u>	<u>4,962,446</u>	<u>5,307,589</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	10	-	121,145	121,145
Amount due to Manager				
- management fee		7,267	-	7,267
- cancellation of units		12,119	-	12,119
Amount due to Trustee		235	-	235
Auditors' remuneration		1,745	-	1,745
Tax agent's fee		814	-	814
Other payables and accruals		465	-	465
Total		<u>22,645</u>	<u>121,145</u>	<u>143,790</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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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>2021</u> USD	<u>2020</u> USD
Quoted investment		
Collective investment scheme	72,595,909	4,948,857

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities.

<u>% change in price</u>	<u>Market value</u> USD	Impact on profit after tax/NAV USD
<u>2021</u>		
-10%	65,336,318	(7,259,591)
0%	72,595,909	-
+10%	79,855,500	7,259,591
<u>2020</u>		
-10%	4,453,971	(494,886)
0%	4,948,857	-
+10%	5,443,743	494,886

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Market risk (continued)

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.

The Fund's exposure to interest rate risk associated with deposit with licensed financial institutions is not material as the carrying value of the deposit is a reasonable estimate of fair value as the deposits are held on a short term basis.

(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.

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

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Other assets* USD	Total USD
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	218,184	144,564	103,179	465,927
Malaysian Ringgit	173,200	3,154	1,102,532	1,278,886
Singapore Dollar	33,323	1,154	84,901	119,378
	<u>424,707</u>	<u>148,872</u>	<u>1,290,612</u>	<u>1,864,191</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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)

	Forward foreign currency contracts USD	Other liabilities** USD	Net assets attributable to unitholders USD	Total USD
<u>2021</u>				
<u>Financial liabilities</u>				
Australian Dollar	23,392	-	12,461,778	12,485,170
Malaysian Ringgit	154,145	11,668	49,089,194	49,255,007
Singapore Dollar	2,868	-	5,254,687	5,257,555
	<u>180,405</u>	<u>11,668</u>	<u>66,805,659</u>	<u>66,997,732</u>
	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>2020</u>				
<u>Financial assets</u>				
Australian Dollar	4,761	3,208	6,561	14,530
Malaysian Ringgit	8,828	20,824	27,128	56,780
Singapore Dollar	-	1,143	-	1,143
	<u>13,589</u>	<u>25,175</u>	<u>33,689</u>	<u>72,453</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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)

	Forward foreign currency contracts USD	Other liabilities** USD	Net assets attributable to unitholders USD	Total USD
<u>2020</u>				
<u>Financial liabilities</u>				
Australian Dollar	3,253	-	498,489	501,742
Malaysian Ringgit	117,458	15,143	4,096,864	4,229,465
Singapore Dollar	434	-	26,417	26,851
	<u>121,145</u>	<u>15,143</u>	<u>4,621,770</u>	<u>4,758,058</u>

* Other assets consist of amount due from Manager.

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

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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 profit after tax and net asset value 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 in price %	Impact on profit after tax/ NAV USD
<u>2021</u>		
Australian Dollar	+/- 11.15	-/+ 1,340,116
Malaysian Ringgit	+/- 4.40	-/+ 2,109,758
Singapore Dollar	+/- 4.32	-/+ 222,119
<u>2020</u>		
Australian Dollar	+/-15.51	-/+ 75,589
Malaysian Ringgit	+/-7.66	-/+ 319,740
Singapore Dollar	+/-6.54	-/+ 1,681

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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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.

	Within <u>one month</u> USD	Between <u>one month</u> <u>to one year</u> USD	<u>Total</u> USD
<u>2021</u>			
Amount due to Manager			
- management fees	103,953	-	103,953
- cancellation of units	11,043	-	11,043
Amount due to Trustee	3,465	-	3,465
Amount due to broker	1,250,000	-	1,250,000
Auditors' remuneration	-	1,792	1,792
Tax agent fee	-	805	805
Other payables and accruals	-	510	510
Forward foreign currency contracts	25,462	154,943	180,405
Net assets attributable to unitholders*	74,773,782	-	74,773,782
	<u>76,167,705</u>	<u>158,050</u>	<u>76,325,755</u>
<u>2020</u>			
Amount due to Manager			
- management fees	7,267	-	7,267
- cancellation of units	12,119	-	12,119
Amount due to Trustee	235	-	235
Auditors' remuneration	-	1,745	1,745
Tax agent fee	-	814	814
Other payables and accruals	-	465	465
Forward foreign currency contracts	-	121,145	121,145
Net assets attributable to unitholders*	5,163,799	-	5,163,799
	<u>5,183,420</u>	<u>124,169</u>	<u>5,307,589</u>

*Units are cancelled on demand at the unitholder's option (Note I). 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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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 placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Other assets* USD	Total USD
<u>2021</u>				
Financial Services				
- AAA	95,428	1,833,365	-	1,928,793
- AA2	120,356	-	-	120,356
- AA3	150,918	-	-	150,918
- NR	58,005	-	-	58,005
Others				
- NR	-	-	1,471,774	1,471,774
	<u>424,707</u>	<u>1,833,365</u>	<u>1,471,774</u>	<u>3,729,846</u>
<u>2020</u>				
Financial Services				
- AAA	10,916	301,341	-	312,257
- AA2	1,372	-	-	1,372
- AA3	1,301	-	-	1,301
Others				
- NR	-	-	43,802	43,802
	<u>13,589</u>	<u>301,341</u>	<u>43,802</u>	<u>358,732</u>

*Other assets consist of amount due from Manager.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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 is 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 period end date.

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 - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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 (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>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	72,595,909	-	-	72,595,909
- forward foreign currency contracts	-	424,707	-	424,707
	<u>72,595,909</u>	<u>424,707</u>	<u>-</u>	<u>73,020,616</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	180,405	-	180,405
	<u>-</u>	<u>180,405</u>	<u>-</u>	<u>180,405</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	4,948,857	-	-	4,948,857
- forward foreign currency contracts	-	13,589	-	13,589
	<u>4,948,857</u>	<u>13,589</u>	<u>-</u>	<u>4,962,446</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	121,145	-	121,145
	<u>-</u>	<u>121,145</u>	<u>-</u>	<u>121,145</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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 and 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 net asset value ("NAV") of the Fund calculated on a daily basis.

For the period from 1 May 2020 to 1 November 2020, management fee is recognised at a rate of 1.85% (2020: 1.85%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum. Effective from 2 November 2020, the management fee is recognised at a rate of 1.80% per annum of the NAV of the Fund, calculated on a daily basis.

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 net asset value (NAV) of the Fund, excluding of foreign custodian fees and charges.

For the financial year/period ended 30 April 2021, the Trustee's fee is recognised at a rate of 0.06% (2020: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Info 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 - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM14,000 (USD 3,653) per annum.

7 TAXATION

	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
Current taxation	-	-

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

	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
Net profit/(loss) before taxation	936,853	(299,474)
Tax at Malaysian statutory rate of 24% (2020: 24%)	224,845	(71,874)
Tax effects of:		
(Investment income not subject to tax)/ investment loss not deductible for tax purposes	(344,558)	63,948
Expenses not deductible for tax purposes	6,369	1,180
Restriction on tax deduction expenses for Wholesale Funds	113,344	6,746
Tax expense	-	-

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 DISTRIBUTIONS

	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
Distributions to unitholders are from the following sources:		
Dividend income	1,059,316	75,516
Interest income	-	162
Management fee rebate		1,332
Gross realised income	1,059,316	77,010
Less: Expenses	-	(33,023)
Net distribution amount	<u>1,059,316</u>	<u>43,987</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 DISTRIBUTIONS (CONTINUED)

	Gross/Net distribution per unit (sen)				
	<u>AUD-Hedged class</u>	<u>MYR class</u>	<u>MYR-Hedged class</u>	<u>SGD-Hedged class</u>	<u>USD class</u>
	AUD	RM	RM	SGD	USD
<u>Financial year ended 30.4.2021</u>					
20.05.2020	0.22	0.25	0.19	0.25	0.22
17.06.2020	0.22	0.24	0.22	0.24	0.25
19.08.2020	0.23	0.21	0.23	0.10	0.21
17.09.2020	0.17	0.17	0.21	0.03	0.17
21.10.2020	0.17	0.17	0.17	0.17	0.17
18.11.2020	0.23	0.23	0.23	0.23	0.23
16.12.2020	0.14	0.11	0.16	0.11	0.21
20.01.2021	0.17	0.11	0.19	0.15	0.20
17.02.2021	0.19	0.21	0.19	0.21	0.20
17.03.2021	0.20	0.21	0.20	0.20	0.22
21.04.2021	0.22	0.21	0.21	0.25	0.20
	2.16	2.12	2.20	1.94	2.28

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 DISTRIBUTIONS (CONTINUED)

	Gross/Net distribution per unit (sen)				
	<u>AUD-Hedged class</u>	<u>MYR class</u>	<u>MYR-Hedged class</u>	<u>SGD-Hedged class</u>	<u>USD class</u>
	AUD	RM	RM	SGD	USD
<u>Financial year ended 30.4.2020</u>					
17.07.2019	-	0.08	-	-	0.40
21.08.2019	-	0.16	-	0.40	0.90
18.09.2019	-	0.20	-	-	0.20
15.01.2020	0.25	0.25	0.25	0.25	0.25
19.02.2020	0.25	0.25	0.20	0.25	0.25
18.03.2020	-	0.25	-	0.25	-
15.04.2020	0.25	0.25	0.23	0.25	0.22
	<u>0.75</u>	<u>1.44</u>	<u>0.68</u>	<u>1.40</u>	<u>2.22</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.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> USD	<u>2020</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	72,595,909	4,948,857
	<u>72,595,909</u>	<u>4,948,857</u>
	Financial year ended <u>30.4.2021</u> USD	Financial period from 18.1.2019 (date of launch) to <u>30.4.2020</u> USD
Net loss on assets at fair value through profit or loss		
- realised loss on sale of investments	-	(10,519)
- unrealised loss on change in fair value	(1,062,948)	(189,509)
- management fee on collective investment scheme#	352,572	19,063
	<u>(710,376)</u>	<u>(180,965)</u>

In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes have been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investments in collective investment schemes have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes.

(a) Collective investment scheme

(i) Collective investment scheme as at 30 April 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
UBS Lux Key Selection SICAV – China Allocation Opportunity	689,762	73,848,366	72,595,909	97.09
Total collective investment scheme	<u>689,762</u>	<u>73,848,366</u>	<u>72,595,909</u>	<u>97.09</u>
Accumulated unrealised loss on collective investment scheme		(1,252,457)		
Total collective investment scheme		<u>72,595,909</u>		

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

(a) Collective investment scheme (continued)

(ii) Collective investment scheme as at 30 April 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
UBS Lux Key Selection SICAV – China Allocation Opportunity	52,580	5,138,366	4,948,857	95.84
Total collective investment scheme	<u>52,580</u>	<u>5,138,366</u>	<u>4,948,857</u>	<u>95.84</u>
Accumulated unrealised loss on collective investment scheme		(189,509)		
Total collective investment scheme		<u>4,948,857</u>		

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 171 (2020: 44) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD60,221,342 (2020: USD4,317,941). The forward foreign currency contracts entered into during the financial year/period were for hedging against the currency exposure arising from the Hedged-class denominated in Australian Dollar, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year/date of launch	1,446,000	-
Creation of units arising from applications	26,483,035	1,447,148
Creation of units arising from distributions	362,243	-
Cancellation of units	(919,278)	(1,148)
At the end of the financial year/period	<u>27,372,000</u>	<u>1,446,000</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) MYR class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year/date of launch	2,278,000	-
Creation of units arising from applications	41,373,471	3,598,046
Creation of units arising from distributions	376,562	-
Cancellation of units	(2,243,033)	(1,320,046)
At the end of the financial year/period	<u>41,785,000</u>	<u>2,278,000</u>

(c) MYR Hedged-class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year/date of launch	32,922,000	-
Creation of units arising from applications	279,443,358	37,096,000
Creation of units arising from distributions	4,570,642	-
Cancellation of units	(4,127,000)	(4,174,000)
At the end of the financial year/period	<u>312,809,000</u>	<u>32,922,000</u>

(d) SGD Hedged-class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year/date of launch	73,000	-
Creation of units arising from applications	12,250,377	410,288
Creation of units arising from distributions	148,926	-
Cancellation of units	(284,303)	(337,288)
At the end of the financial year/period	<u>12,188,000</u>	<u>73,000</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) USD class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year/date of launch	1,030,000	-
Creation of units arising from applications	12,432,648	3,632,400
Creation of units arising from distributions	191,372	-
Cancellation of units	(222,020)	(2,602,400)
At the end of the financial year/period	<u>13,432,000</u>	<u>1,030,000</u>

12 TRANSACTIONS WITH BROKER

(i) Details of transaction with the broker for the financial year ended 30 April 2021 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> USD	<u>Percentage of total brokerage</u> %
Northern Trust Global Services SE	<u>68,710,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

(ii) Details of transaction with the broker for the financial period from 18 January 2019 (date of launch) to 30 April 2020 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> USD	<u>Percentage of total brokerage</u> %
Northern Trust Global Services SE	<u>5,655,998</u>	<u>100.00</u>	<u>2</u>	<u>100.00</u>

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

13 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>Relationships</u>
Lembaga Tabung Angkatan Tentera ("LTAT")	Ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements

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

	<u>2021</u>		<u>2020</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)				
- AUD Hedged-class	2,890	1,316	16,017	5,521
- MYR class	2,271	324	3,134	395
- MYR Hedged-class	3,205	442	3,116	361
- SGD Hedged-class	14,726	6,348	18,626	6,741
- USD class	2,496	1,481	3,078	1,620

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

14 MANAGEMENT EXPENSE RATIO ("MER")

	Financial year ended 30.4.2021 %	Financial period from 18.1.2019 (date of launch) to 30.4.2020 %
MER	1.91	2.90

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year/period calculated on a daily basis is USD26,080,668 (2020: USD1,137,868).

15 PORTFOLIO TURNOVER RATIO ("PTR")

	Financial year ended 30.4.2021	Financial period from 18.1.2019 (date of launch) to 30.4.2020
PTR (times)	1.32	2.71

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = USD68,710,000 (2020: USD5,655,998)
total disposal for the financial year/period = USD Nil (2020: USD517,632)

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR/PERIOD

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 38 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 April 2021 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AFFIN HWANG ASSET MANAGEMENT BERHAD

DATO TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 June 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Affin Hwang World Series – China Allocation Opportunity Fund give a true and fair view of the financial position of the Fund as at 30 April 2021 and of its financial performance and its cash flows for the financial year ended 30 April 2021 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 30 April 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year ended 30 April 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 38.

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’ Code of Ethics for Professional Accountants (“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 - CHINA ALLOCATION OPPORTUNITY 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 has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - CHINA ALLOCATION OPPORTUNITY FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- (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 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.

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
18 June 2021

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