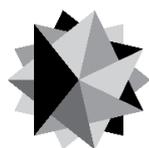


Affin Hwang World Series - Global Disruptive Innovation Fund

Quarterly Report
30 April 2022

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 – GLOBAL DISRUPTIVE INNOVATION FUND

**Quarterly Report and Financial Statements
As at 30 April 2022**

Contents	Page
QUARTERLY REPORT	2
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CHANGES IN ASSET	12

QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Disruptive Innovation Fund
Fund Type	Growth
Fund Category	Feeder (wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long term period.
Benchmark	MSCI World Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

FUND PERFORMANCE DATA

USD Class

Category	As at 30 Apr 2022	As at 31 Jan 2022
Total NAV (USD'million)	15.411	22.958
NAV per Unit (USD)	0.2397	0.3716
Unit in Circulation (million)	64.299	61.779

MYR Hedged-class

Category	As at 30 Apr 2022	As at 31 Jan 2022
Total NAV (RM'million)	632.634	962.168
NAV per Unit (RM)	0.2411	0.3730
Unit in Circulation (million)	2,623.553	2,579.48

SGD Hedged-class

Category	As at 30 Apr 2022	As at 31 Jan 2022
Total NAV (SGD'million)	5.196	8.049
NAV per Unit (SGD)	0.2363	0.3681
Unit in Circulation (million)	21.985	21.865

AUD Hedged-class

Category	As at 30 Apr 2022	As at 31 Jan 2022
Total NAV (AUD'million)	4.517	6.671
NAV per Unit (AUD)	0.2342	0.3637
Unit in Circulation (million)	19.290	18.340

USD Class

Table 1: Performance as at 30 April 2022

	3 Months (1/2/22 - 30/4/22)	6 Months (1/11/21 - 30/4/22)	1 Year (1/5/21 - 30/4/22)	Since Commencement (10/11/20 - 30/4/22)
Fund	(35.50%)	(59.99%)	(59.77%)	(52.06%)
Benchmark	(8.61%)	(11.94%)	(4.87%)	11.73%
Outperformance	(26.89%)	(48.05%)	(54.90%)	(63.79%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



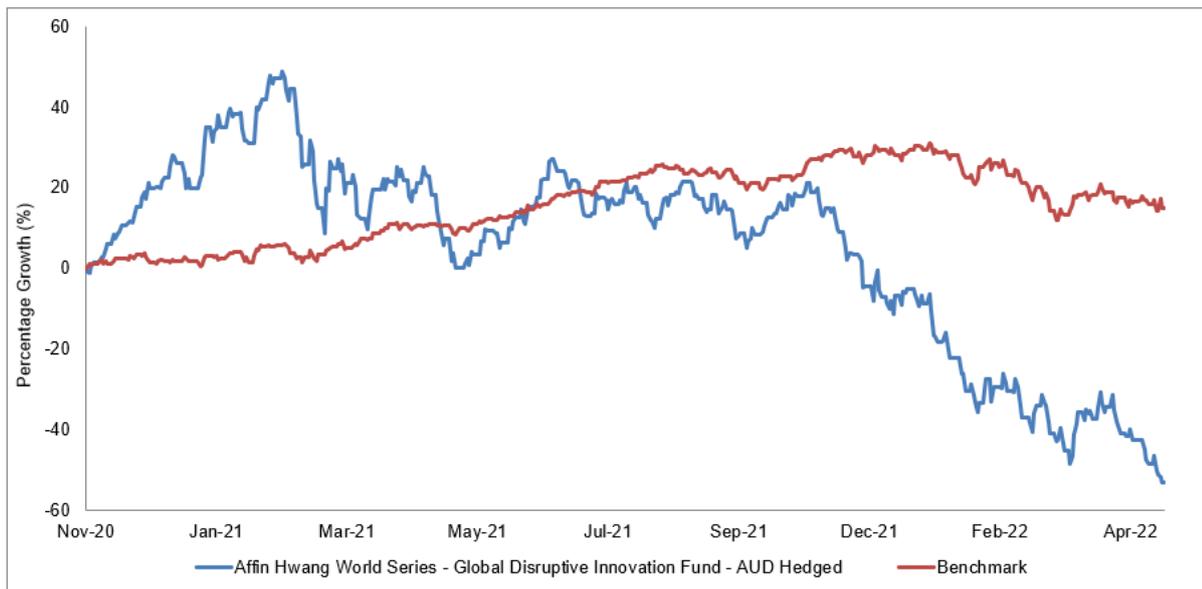
AUD Hedged Class

Table 1: Performance as at 30 April 2022

	3 Months (1/2/22 - 30/4/22)	6 Months (1/11/21 - 30/4/22)	1 Year (1/5/21 - 30/4/22)	Since Commencement (10/11/20 - 30/4/22)
Fund	(35.61%)	(60.33%)	(60.35%)	(53.16%)
Benchmark	(8.90%)	(6.63%)	3.55%	14.93%
Outperformance	(26.71%)	(53.70%)	(63.90%)	(68.09%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



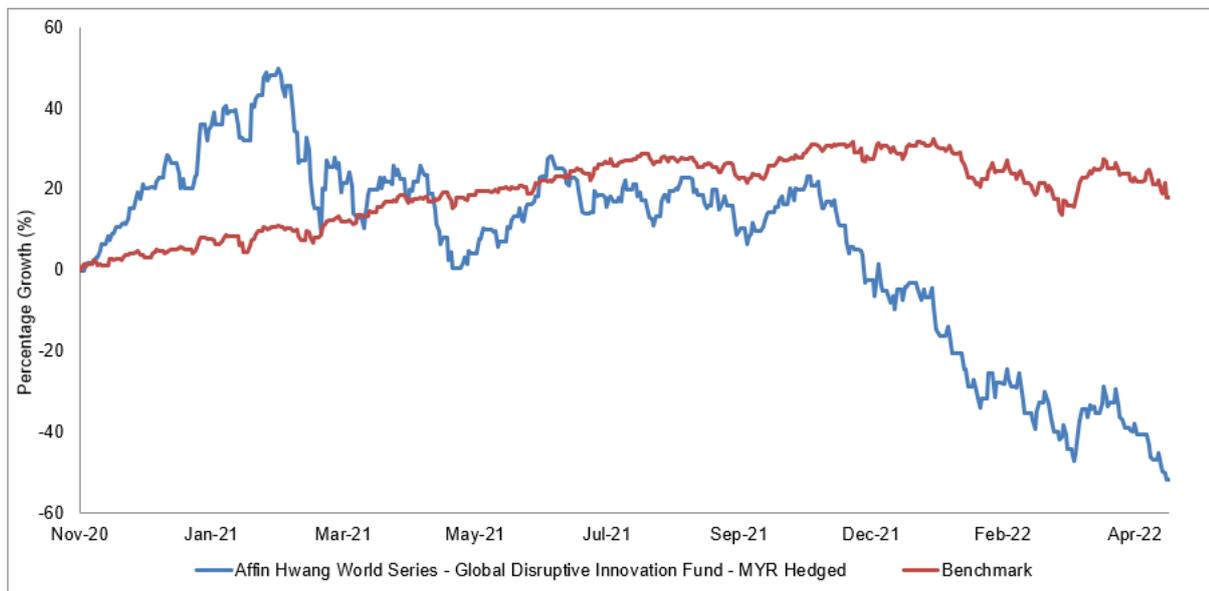
MYR Hedged Class

Table 1: Performance as at 30 April 2022

	3 Months (1/2/22 - 30/4/22)	6 Months (1/11/21 - 30/4/22)	1 Year (1/5/21 - 30/4/22)	Since Commencement (10/11/20 - 30/4/22)
Fund	(35.36%)	(59.81%)	(59.42%)	(51.78%)
Benchmark	(5.30%)	(7.83%)	0.80%	17.83%
Outperformance	(30.06%)	(51.98%)	(60.22%)	(69.61%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



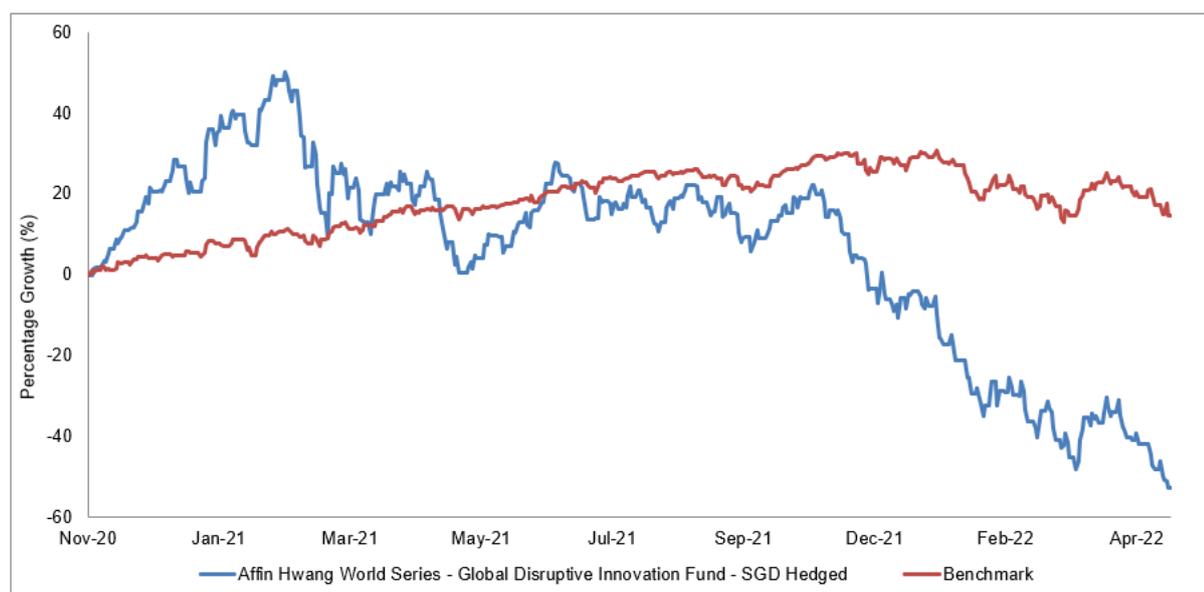
SGD Hedged Class

Table 1: Performance as at 30 April 2022

	3 Months (1/2/22 - 30/4/22)	6 Months (1/11/21 - 30/4/22)	1 Year (1/5/21 - 30/4/22)	Since Commencement (10/11/20 - 30/4/22)
Fund	(35.81%)	(60.29%)	(60.18%)	(52.74%)
Benchmark	(6.54%)	(9.82%)	(1.16%)	14.64%
Outperformance	(29.27%)	(50.47%)	(59.02%)	(67.38%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



"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. Source of Benchmark is from Bloomberg."

Benchmark: MSCI World Index

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

Asset Allocation

Fund's asset mix during the period under review:

	30 April 2022
	(%)
Unit Trust	98.28
Derivative	-3.02
Cash & money market	4.74
Total	100.00

Strategies Employed

The largest contributors to performance included Twitter, Skillz, LendingClub, Organovo Holdings, and Iovance Biotherapeutics. Twitter traded up meaningfully during the month of April after Elon Musk disclosed

a significant stake which evolved into, pending approval, an outright purchase of the company. Elon Musk is a visionary entrepreneur and an active Twitter user whose appointment to its Board of Directors could benefit the company in unexpected ways. Shares of Skillz, LendingClub, Organovo Holdings, and Iovance detracted from performance, though they had smaller impacts than the other portfolio holdings in what proved to be a difficult month for markets.

The top detractors include Teladoc Health, Coinbase, Unity Software, Tesla and Roku. Shares of Teladoc, the largest, global digital health platform, fell significantly after its quarterly earnings report. For perspective, the last time Teladoc traded at these levels, the company had on-sixth the visit volume, half the number of paid members, a fifth of the annual revenue, and was cash flow negative. Today, one in six Americans is a full Teladoc member and the company is cashflow positive. ARK believes the primary reason for the sudden stock decline was Teladoc's 25% reduction in 2022 adjusted Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) guidance owing to a decrease in marketing yield in one of Teladoc's direct-to-consumer mental health channels. ARK's five year thesis for Teladoc is built around the company's transition from a general telehealth provider to a business-to-business enterprise solution for whole-person healthcare. Coinbase traded down alongside crypto markets. ARK believes Coinbase has emerged as the premier regulatory-compliant cryptocurrency exchange and should be a prime beneficiary as the opportunity for crypto assets evolves. ARK believes the market is missing the long-term opportunity for Unity Software's gaming engine outside of gaming, such as digital twins and simulations with industrial industries. Tesla detracted from performance despite a strong earnings report that featured record deliveries and operating margin. The company unveiled plans to produce a steering-wheel-less and pedal-less robotaxi vehicle in 2024, a much stronger commitment to robotaxi commercialisation that the company has made to date. Unity Software sold off alongside the broader market. Roku reported first-quarter earnings that beat revenue expectations but indicated a slowdown in account growth. The market reacted positively to the report but shares were down over the month.

Market Review

Uncertainty has been an ongoing theme in economies and markets. While global equities started on a strong note at the start of 2021 due to policy easing and optimism surrounding vaccination rollout, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook. For the most of 2H 2021, expensive valuations in both fixed income and equities loomed over investors. However, the challenging market conditions in the first quarter of 2022 addressed some of these concerns as Chinese equities both onshore and offshore traded below their 15-year average and the S&P plummeted 8.7% in April 2022.

In general, government policies to encourage demand throughout one of the largest economic contractions produced one of the fastest recoveries. Developed market output reached its pre-pandemic peak in the third quarter of 2021.

Real GDP growth for US in 1Q 2022 was weaker than expected, falling 1.4% on an annualized basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualized basis.

In the Eurozone, equities continue to decline as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 7.5% in April, an increase from 7.4% in March. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and industrials fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

In China, although 1Q 2022 GDP has shown that the Chinese economy began to rebound in January and February, the impact the pandemic had on consumption, investment and production overshadowed the growth as Covid-19 continued to put downward pressure on the Chinese economy. The tightened credit conditions that persisted until early 2022 and regulatory policies in place as a result of the government's common prosperity initiative have slowed growth. A decline in new Covid infection numbers could be the first step in restoring market confidence, however, with parts of China in lockdown since April 2022 resulting in a decrease in both the manufacturing and services sector, investor confidence remained cautious. The

Chinese Yuan also experienced some sharp depreciation during the quarter as the 2-year US Treasury yield rose above its Chinese equivalent.

Asia equities were lower in April as China fought hard to contain its worst outbreak of Covid-19, implementing measures that affected the market adversely. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to supply chain disruptions brought upon by lockdowns in Shanghai and neighbouring cities.

Bond yields continued to rise in April 2022, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. US consumer price inflation accelerated to 8.5% year on year in March though the core personal consumption expenditure index fell slightly to an annualised 5.2% from 5.3%. Corporate bonds garnered negative total returns and underperformed government bonds in general.

The S&P GSCI Index reported a positive return in April 2022. Higher prices in agricultural and energy components supported weaker prices for livestock, industrial and precious metals. Energy was the top performing component of the index as the global economy normalises after the Covid-19 pandemic and supplies are disrupted due to geopolitical unrest.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalization of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with it peak GDP growth during the pandemic era also likely realized in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	Financial period ended <u>30.4.2022</u> USD	Financial period ended <u>30.4.2021</u> USD
INVESTMENT LOSS		
Interest income from financial assets at amortised cost	6,111	3,797
Net loss on foreign currency exchange	(118,285)	(477,742)
Net loss on forward foreign currency contracts at fair value through profit or loss	(9,499,715)	(1,339,623)
Net loss on financial assets at fair value through profit or loss	(245,582,683)	(20,412,396)
	<u>(255,194,572)</u>	<u>(22,225,964)</u>
EXPENSES		
Management fee	(2,528,674)	(1,841,304)
Trustee fee	(82,102)	(60,285)
Fund accounting fee	(1,668)	(1,146)
Auditors' remuneration	(981)	(889)
Tax agent's fee	(429)	(415)
Other expenses	(6,064)	(5,563)
	<u>(2,619,918)</u>	<u>(1,909,602)</u>
NET LOSS BEFORE TAXATION	(257,814,490)	(24,135,566)
Taxation	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER	<u>(257,814,490)</u>	<u>(24,135,566)</u>
Decrease in net asset attributable to unitholders is made up of the following:		
Realised amount	(18,249,188)	6,460,976
Unrealised amount	(239,565,302)	(30,596,542)
	<u>(257,814,490)</u>	<u>(24,135,566)</u>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022

	<u>2022</u> USD	<u>2021</u> USD
ASSETS		
Cash and cash equivalents	7,883,999	11,518,834
Amount due from broker	21,830	24,046
Amount due from Manager		
- creation of units	527,655	5,475,529
- management fee rebate receivable	123,117	234,544
Financial assets at fair value through profit or loss	164,880,704	387,565,220
Forward foreign currency contracts at fair value through profit or loss	3,304	1,127,616
TOTAL ASSETS	<u>173,440,609</u>	<u>405,945,789</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	5,075,859	2,107,868
Amount due to broker	226,717	5,804,580
Amount due to Manager		
- management fee	310,845	594,258
- cancellation of units	43,036	284,386
Amount due to Trustee	10,081	19,273
Auditors' remuneration	948	887
Tax agent's fee	1,219	414
Other payables and accruals	10	(280)
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>5,668,715</u>	<u>8,811,386</u>
NET ASSET VALUE OF THE FUND	<u>167,771,894</u>	<u>397,134,403</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>167,771,894</u>	<u>397,134,403</u>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022 (CONTINUED)

	<u>2022</u> USD	<u>2021</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	3,234,386	8,037,459
- MYR Hedged-class	145,366,368	340,609,100
- SGD Hedged-class	3,760,235	11,141,789
- USD Class	15,410,905	37,346,055
	<u>167,771,894</u>	<u>397,134,403</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	19,290,000	17,476,000
- MYR Hedged-class	2,623,553,000	2,342,398,000
- SGD Hedged-class	21,985,000	24,876,000
- USD Class	64,299,000	62,683,000
	<u>2,729,127,000</u>	<u>2,447,433,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.1677	0.4599
- MYR Hedged-class	0.0554	0.1454
- SGD Hedged-class	0.1710	0.4479
- USD Class	0.2397	0.5958
	<u>0.2397</u>	<u>0.5958</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.2342	AUD0.5907
- MYR Hedged-class	RM0.2411	RM0.5941
- SGD Hedged-class	SGD0.2363	SGD0.5934
- USD Class	USD0.2397	USD0.5958
	<u>USD0.2397</u>	<u>USD0.5958</u>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	Financial period ended <u>30.4.2022</u> USD	Financial period ended <u>30.4.2021</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	398,082,175	-
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	67,475,173	499,898,421
- AUD Hedged-class	1,807,503	10,516,584
- MYR Hedged-class	57,793,827	428,523,713
- SGD Hedged-class	857,740	13,912,153
- USD Class	7,016,103	46,945,971
Cancellation of units	(39,970,964)	(78,628,452)
- AUD Hedged-class	(997,325)	(2,215,853)
- MYR Hedged-class	(30,682,557)	(66,362,480)
- SGD Hedged-class	(2,790,007)	(2,177,147)
- USD Class	(5,501,075)	(7,872,972)
Decrease in net assets attributable to unitholders during the financial period	(257,814,490)	(24,135,566)
- AUD Hedged-class	(4,851,546)	(263,272)
- MYR Hedged-class	(224,545,514)	(21,552,133)
- SGD Hedged-class	(6,659,393)	(593,217)
- USD Class	(21,758,037)	(1,726,944)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>167,771,894</u>	<u>397,134,403</u>

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