



QUARTERLY REPORT

30 April 2023

Affin Hwang World Series – **Global** **Disruptive Innovation** Fund

MANAGER
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AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

Quarterly Report and Financial Statements As at 30 April 2023

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 2023	As at 31 Jan 2023
Total NAV (USD'million)	10.852	11.298
NAV per Unit (USD)	0.2022	0.1995
Unit in Circulation (million)	53.671	56.625

MYR Hedged-class

Category	As at 30 Apr 2023	As at 31 Jan 2023
Total NAV (RM'million)	501.431	496.675
NAV per Unit (RM)	0.1990	0.1972
Unit in Circulation (million)	2520.308	2519.252

SGD Hedged-class

Category	As at 30 Apr 2023	As at 31 Jan 2023
Total NAV (SGD'million)	4.103	4.212
NAV per Unit (SGD)	0.1942	0.1923
Unit in Circulation (million)	21.122	21.903

AUD Hedged-class

Category	As at 30 Apr 2023	As at 31 Jan 2023
Total NAV (AUD'million)	3.224	3.263
NAV per Unit (AUD)	0.1840	0.1829
Unit in Circulation (million)	17.525	17.837

Fund Performance

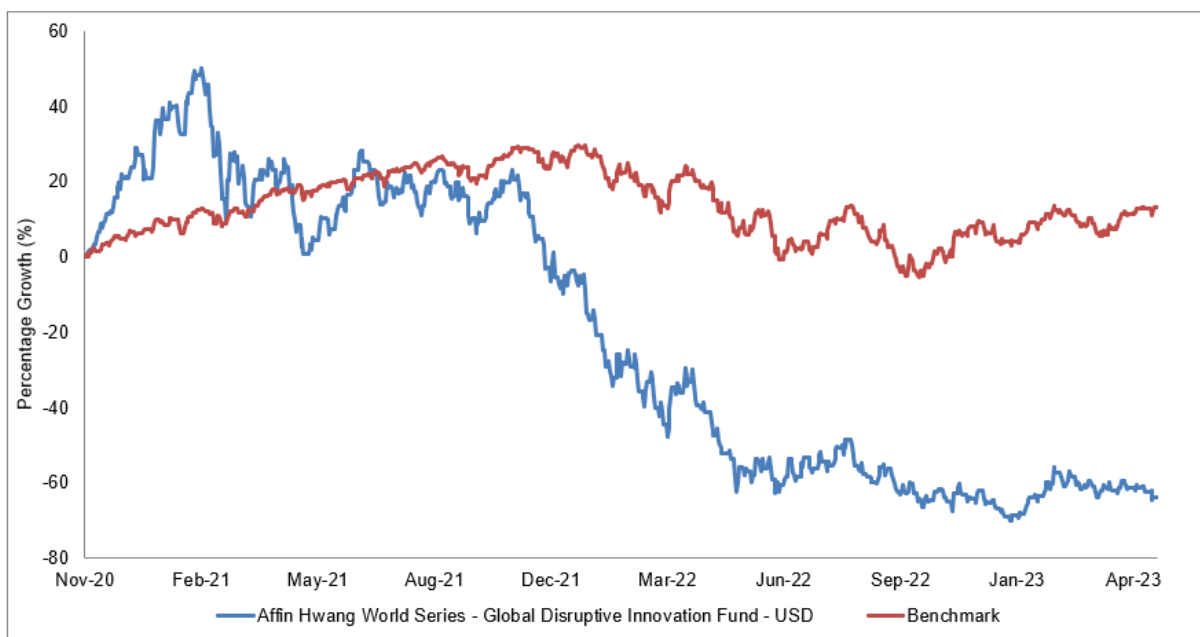
USD Class

Table 1: Performance as at 30 April 2023

	3 Months (1/2/23 - 30/4/23)	6 Months (1/11/22 - 30/4/23)	1 Year (1/5/22 - 30/4/23)	Since Commencement (10/11/20 - 30/4/23)
Fund	(9.17%)	(4.73%)	(24.41%)	(63.76%)
Benchmark	1.83%	11.31%	1.44%	13.34%
Outperformance	(11.00%)	(16.04%)	(25.85%)	(77.10%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



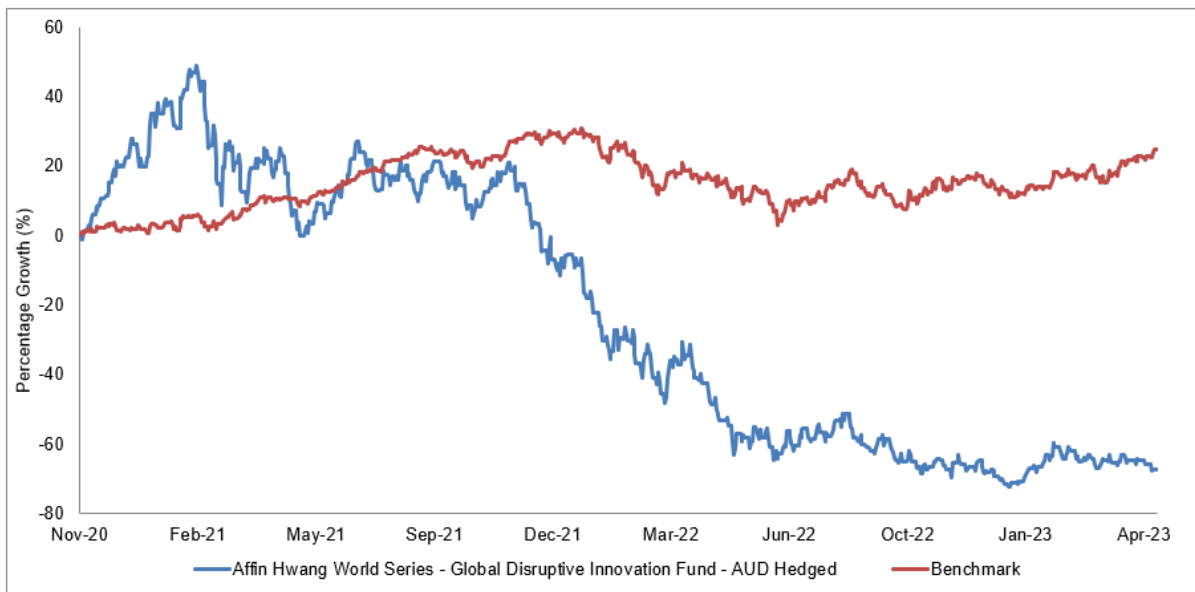
AUD Hedged Class

Table 1: Performance as at 30 April 2023

	3 Months (1/2/23 - 30/4/23)	6 Months (1/11/22 - 30/4/23)	1 Year (1/5/22 - 30/4/23)	Since Commencement (10/11/20 - 30/4/23)
Fund	(10.06%)	(7.43%)	(29.76%)	(67.10%)
Benchmark	8.48%	7.59%	8.60%	24.82%
Outperformance	(18.54%)	(15.02%)	(38.36%)	(91.92%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



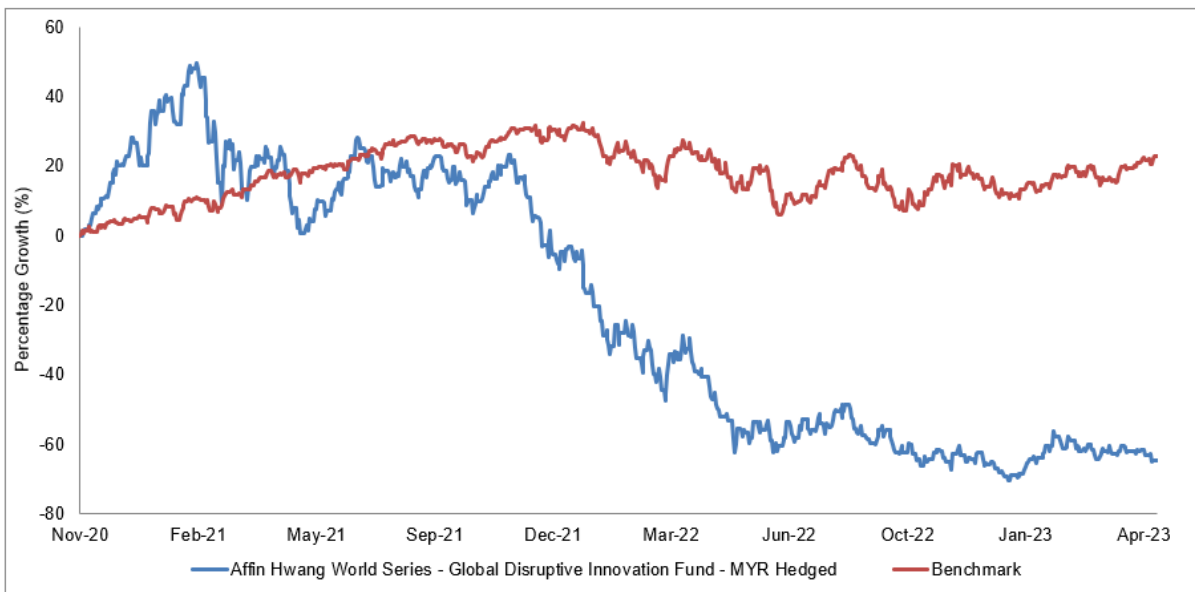
MYR Hedged Class

Table 1: Performance as at 30 April 2023

	3 Months (1/2/23 - 30/4/23)	6 Months (1/11/22 - 30/4/23)	1 Year (1/5/22 - 30/4/23)	Since Commencement (10/11/20 - 30/4/23)
Fund	(9.79%)	(6.61%)	(26.21%)	(64.42%)
Benchmark	6.58%	5.03%	4.44%	23.07%
Outperformance	(16.37%)	(11.64%)	(30.65%)	(87.49%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



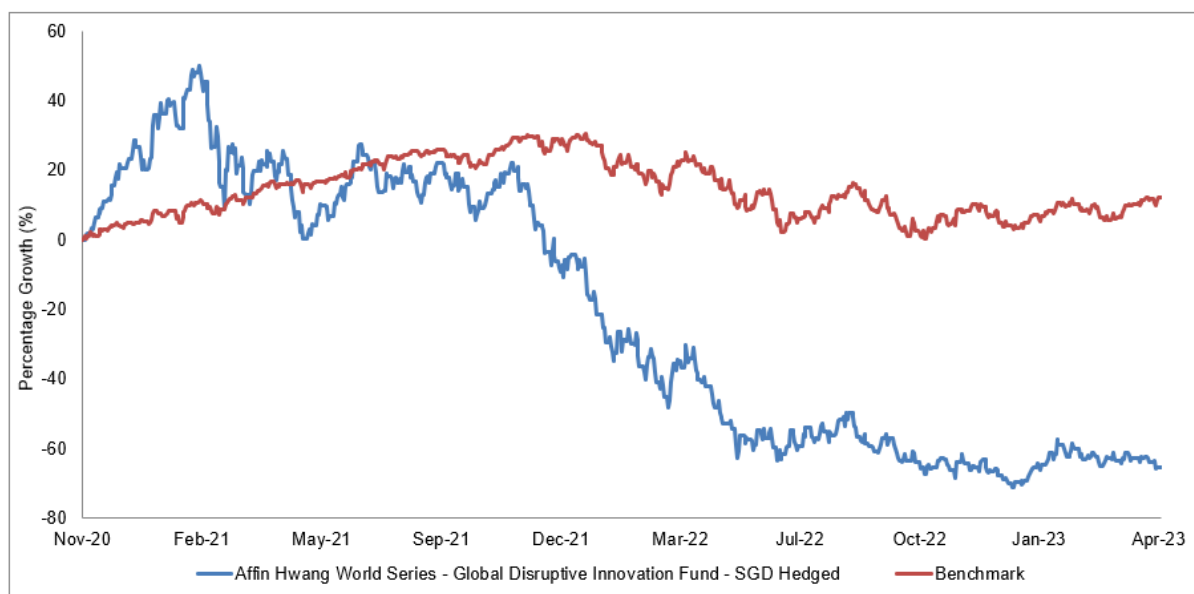
SGD Hedged Class

Table 1: Performance as at 30 April 2023

	3 Months (1/2/23 - 30/4/23)	6 Months (1/11/22 - 30/4/23)	1 Year (1/5/22 - 30/4/23)	Since Commencement (10/11/20 - 30/4/23)
Fund	(9.57%)	(5.90%)	(26.41%)	(65.22%)
Benchmark	3.33%	4.93%	(2.12%)	12.22%
Outperformance	(12.90%)	(10.83%)	(24.29%)	(77.44%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



"This information is prepared by AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. 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 2023
	(%)
Unit Trust	98.74
Derivative	-1.79
Cash & money market	3.05
Total	100.00

Strategies Employed & Market Review

Broad-based global equity indexes rallied vigorously in January. The US Federal Reserve (Fed)'s preferred measures of inflation and wages both cooled, easing fears of a significant rise in rates from current levels. The personal consumption expenditures core price index, which excludes food and energy, rose 4.4% in December from a year earlier, while the Employment Cost Index for the fourth quarter rose 1.0%, slowing from the prior quarter and below expectations. During his press conference on 1 February, Fed Chairman Powell committed to "ongoing increases" but only "a couple more", signaling that the Fed may be near the end of its tightening cycle.

Relative to the MSCI World Index, the consumer discretionary, communication services, and materials sectors outperformed in January, while the healthcare, utility and consumer staples sectors lagged. Some of the largest beneficiaries of the rotation to cyclicals, energy and financial services could be disrupted significantly during the next five years. In ARK's view, autonomous electric vehicles and digital wallets, including blockchain technologies, cryptocurrencies, and decentralized financial services (DeFi), will disrupt and disintermediate both energy and financial services. .

The top contributors included Roku, Tesla, Exact Sciences and Coinbase. Roku shares rallied after the company announced it surpassed 70 million active accounts globally, marking a 16% year-on-year (YoY) growth. Roku also announced plans to release its own line of TVs this year. ARK believes Roku is a dominant player in the connected TV space, and it continues to operate the most successful independent TV OS in the US. Shares of Tesla rallied on the back of strong fourth quarter results, where Elon Musk told investors that Tesla had the ability to produce up to 2 million vehicles this year, assuming no hiccups. On that note, the company confirmed that the Cybertruck is on track to start production later in the year in its Austin, Texas factory. The company also provided an optimistic outlook on profits, citing that hardware-related profits are expected to be accompanied by an acceleration of software-related profits. This aligns with ARK's thesis on autonomous driving. Lastly, the company is slated to share details on its next generation vehicle, which ARK believes could be a purpose-built robotaxi, during its Investor Day in March. Shares of Exact rallied after guiding to a 28% YoY revenue growth as part of its fourth quarter earnings preview. Full year 2022 revenue, excluding COVID-19 testing, is expected to grow 25% YoY, with 34% and 7% growth in screening and precision oncology revenue, respectively. The company also guided to higher adjusted EBITDA profitability. ARK expects that as Exact's diagnostic capabilities continue to expand into indications other than colorectal cancer and the company will be well situated to replicate the standard-of-care status Cologuard has achieved in these other testing areas. Shares of Coinbase and other crypto-related companies saw gains on the back of a wider cryptocurrency market rally as investors seemed to have priced in the Genesis bankruptcy. ARK maintains conviction in Coinbase being a leader in various parts of the crypto ecosystem.

The top detractors included include Cerus, Prime Medicine, Organovo, XPeng and Iovance Biotherapeutics. Shares of Cerus traded down after the company reported earnings and described 2023 as a "bridge year" in which the outlook remains unclear. In ARK's view, foreign exchange (FX) pressures and inventory issues in the international blood industry are weighing on the short-term outlook. Cerus is a biomedical products company supplying hardware and consumables under its flagship blood transfusion safety brand, INTERCEPT. Shares of Prime Medicine traded down on relatively little company specific news. Prime Medicine is a biotechnology company committed to delivering a new class of differentiated, one-time, curative genetic therapies to address the widest spectrum of diseases. Shares of Organovo traded on relatively little company specific news. Organovo is an early-stage medical laboratory and research company that designs and develops functional, 3D human tissue for medical research and therapeutic applications. Shares of XPeng and other Chinese EV automakers reacted to Tesla's price cuts, which could negatively affect their sales. Iovance Biotherapeutics announced that it acquired worldwide rights for Proleukin from Clinigen, an interleukin- 2 (IL-2) product used to promote T-cell activity, following a tumor infiltrating lymphocyte infusion. The company also reached an agreement with the US Food and Drug Administration regarding the Phase 3 TILVANCE-301 trial of lifileucel in combination with Merck's cancer drug, Keytruda (pembrolizumab), in frontline advanced melanoma.

Investment Outlook

Since March 2021, the yield curve (as measured by the difference between yields on the 10-year Treasury bond and the 2-year Treasury note) has flattened 228 basis points from 159 to -69 basis points suggesting that if the Fed does not pull back its rate increases, both real growth and inflation could continue to surprise on the low side of expectations. US consumer sentiment (as measured by the Michigan Consumer Sentiment Index) ticked up to levels slightly above those last seen during the coronavirus pandemic, the 2008-2009 Global Financial Crisis (GFC) and the early 1980s, when the US economy suffered two recessions and inflation and interest rates hit double digits. Meanwhile, according to Federal Reserve Economic Data (FRED), the consumer saving rate has collapsed from 26% to 3.4%, near levels last seen during the GFC, suggesting that consumers do not have the means for significant real consumption growth.

In ARK's view, deflation is a more significant risk than inflation, with commodity prices and massive retail discounts during the holidays corroborating this point of view. The prices of gold, copper, and lumber, three commodities that led or flagged the rise in broad-based inflation, are down from their recent peaks. Previously an outlier, oil price inflation has also decelerated. Surprisingly, even though the oil price has dropped from USO 130 per barrel to USO 79, the S&P Energy Sector ETF is not far from its all-time high.

The combination of geopolitical forces and inventory hoarding pushed US consumer price inflation, a lagging indicator of inflation, to 6.5% on a YoY basis, a rate that ARK believes deflationary forces, good, bad, and cyclical, will continue to unwind.

Innovation is the source of good deflation, as learning curves cut costs and increase productivity. Yet, ARK believes many companies have catered to the short-term-oriented, risk-averse shareholders and have satisfied demands for profits/dividends "now". As a result, many have leveraged their balance sheets to buy back stock, bolster earnings and increase dividends. In doing so, many have curtailed investments in innovation and could be ill-prepared for the impact of disintermediation associated with disruptive innovation. Saddled with aging products and services, they could be forced to cut prices to clear unwanted inventories and service debt, causing bad deflation.

If ARK is correct in its assessment that growth, inflation, or both will surprise on the low side of expectations, scarce double-digit growth opportunities should be rewarded accordingly. The adoption of new technologies typically accelerates as concerned businesses and consumers change their behaviour much more rapidly than otherwise would be the case, giving new leadership an opportunity to surface in the equity market. ARK believes the coronavirus crisis and Russia's invasion of Ukraine have transformed the world significantly and permanently, suggesting that many innovation-driven strategies and stocks could be productive holdings during the next five to ten years.

In ARK's view, the wall of worry built on the back of high multiple stocks bodes well for equities in the innovation space. The strongest bull markets do climb a wall of worry, a fact that those making comparisons to the tech and telecom bubble seem to forget. No wall of worry existed or tested the equity market in 1999. This time around, the wall of worry has scaled to enormous heights.

While the 2022 bear market obscured many disruptive breakthroughs, innovation continued apace thanks to artificial intelligence (AI), genomics, and space exploration, among others. ChatGPT, a version of GPT-3 tuned for conversation dialogue, already scores above the national average on SAT questions, highlighting the power of AI. In the UK, a research hospital used an advanced version of gene editing called base-editing to cure a 12-year-old girl with leukemia who had failed dozens of therapies. SpaceX launched 61 Falcon9 rockets, reusing the last one within 21 days, compared to 356 days for the first one. In ARK's view, companies sacrificing short-term profitability to invest heavily in innovative technologies will enjoy exponential and highly profitable long-term growth opportunities.

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

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

	Financial period ended <u>30.4.2023</u> USD	Financial period ended <u>30.4.2022</u> USD
INVESTMENT LOSS		
Interest income from financial assets at amortised cost	3,918	6,111
Net gain/(loss) on foreign currency exchange	44,754	(118,285)
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	3,539,951	(9,499,715)
Net loss on financial assets at fair value through profit or loss	(3,617,938)	(245,582,683)
	<u>(29,315)</u>	<u>(255,194,572)</u>
EXPENSES		
Management fee	(1,109,051)	(2,528,674)
Trustee fee	(36,025)	(82,102)
Fund accounting fee	(1,841)	(1,668)
Auditors' remuneration	(931)	(981)
Tax agent's fee	(407)	(429)
Other expenses	(3,962)	(6,064)
	<u>(1,152,217)</u>	<u>(2,619,918)</u>
NET LOSS BEFORE TAXATION	(1,181,532)	(257,814,490)
Taxation	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER	<u>(1,181,532)</u>	<u>(257,814,490)</u>
Decrease in net asset attributable to unitholders is made up of the following:		
Realised amount	(26,665,728)	(18,249,188)
Unrealised amount	25,484,196	(239,565,302)
	<u>(1,181,532)</u>	<u>(257,814,490)</u>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023

	<u>2023</u> USD	<u>2022</u> USD
ASSETS		
Cash and cash equivalents	4,072,084	7,883,999
Amount due from broker	-	21,830
Amount due from Manager		
- creation of units	90,396	527,655
- management fee rebate receivable	73,494	123,117
Financial assets at fair value through profit or loss	112,049,229	164,880,704
Forward foreign currency contracts at fair value through profit or loss	2,830	3,304
TOTAL ASSETS	<u>116,288,033</u>	<u>173,440,609</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	2,032,132	5,075,859
Amount due to broker	165,417	226,717
Amount due to Manager		
- management fee	184,718	310,845
- cancellation of units	419,556	43,036
Amount due to Trustee	5,991	10,081
Fund accounting fee	262	-
Auditors' remuneration	925	948
Tax agent's fee	1,189	1,219
Other payables and accruals	(257)	10
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>2,809,933</u>	<u>5,668,715</u>
NET ASSET VALUE OF THE FUND	<u>113,478,100</u>	<u>167,771,894</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>113,478,100</u>	<u>167,771,894</u>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

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

	<u>2023</u> USD	<u>2022</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	1,936,901	3,234,386
- MYR Hedged-class	99,188,810	145,366,368
- SGD Hedged-class	2,752,093	3,760,235
- USD Class	9,600,296	15,410,905
	<u>113,478,100</u>	<u>167,771,894</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	17,892,000	19,290,000
- MYR Hedged-class	2,486,234,000	2,623,553,000
- SGD Hedged-class	21,168,000	21,985,000
- USD Class	52,974,000	64,299,000
	<u>2,578,268,000</u>	<u>2,729,127,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.1083	0.1677
- MYR Hedged-class	0.0399	0.0554
- SGD Hedged-class	0.1300	0.1710
- USD Class	0.1812	0.2397
	<u>0.1083</u>	<u>0.1677</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.1645	AUD0.2342
- MYR Hedged-class	RM0.1779	RM0.2411
- SGD Hedged-class	SGD0.1739	SGD0.2363
- USD Class	USD0.1812	USD0.2397
	<u>AUD0.1645</u>	<u>AUD0.2342</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 2023

	Financial period ended <u>30.4.2023</u> USD	Financial period ended <u>30.4.2022</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	119,444,262	398,082,175
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	7,004,158	67,475,173
- AUD Hedged-class	86,635	1,807,503
- MYR Hedged-class	6,811,996	57,793,827
- SGD Hedged-class	27,480	857,740
- USD Class	78,047	7,016,103
Cancellation of units	(11,788,788)	(39,970,964)
- AUD Hedged-class	(66,008)	(997,325)
- MYR Hedged-class	(10,190,855)	(30,682,557)
- SGD Hedged-class	(208,593)	(2,790,007)
- USD Class	(1,323,332)	(5,501,075)
Decrease in net assets attributable to unitholders during the financial period	(1,181,532)	(257,814,490)
- AUD Hedged-class	(94,489)	(4,851,546)
- MYR Hedged-class	(580,027)	(224,545,514)
- SGD Hedged-class	(3,931)	(6,659,393)
- USD Class	(503,085)	(21,758,037)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>113,478,100</u>	<u>167,771,894</u>

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