



ANNUAL REPORT

30 April 2023

Affin Hwang World Series – **Global High Income Fund**

MANAGER

AHAM Asset Management Berhad
*(Formerly known as Affin Hwang Asset
Management Berhad)*
199701014290 (429786-T)

TRUSTEE

TMF Trustees Malaysia Berhad
(200301008392 [610812-W])

Built On Trust

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AFFIN HWANG WORLD SERIES – GLOBAL HIGH INCOME FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 30 April 2023

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FUND INFORMATION

Fund Name	Affin Hwang World Series – Global High Income Fund	
Fund Type	Income	
Fund Category	Fixed Income (Feeder Wholesale)	
Benchmark	Bloomberg Barclays US Aggregate Bond Index (Total Return Gross)	
Investment Objective	The Fund aims to provide regular income over the medium to long term period.	
Distribution Policy	Subject to the availability of income, the respective Classes endeavours to distribute income in the following manner, after the expiry of its first financial year:	
	Class(es)	Frequency
	USD Class	Monthly
	MYR Hedged-Class	
	SGD Hedged-Class	
	AUD Hedged-Class	
GBP Hedged-Class		

FUND PERFORMANCE DATA

Category	As at 30 Apr 2023 (%)					As at 30 Apr 2022 (%)					As at 30 Apr 2021 (%)				
Portfolio composition															
Collective investment scheme	97.69					98.02					97.56				
Cash and cash equivalent	2.31					1.98					2.44				
Total	100.00					100.00					100.00				
Currency class	USD Class	MYR Hedged -Class	SGD Hedged -Class	AUD Hedged -Class	GBP Hedged -Class	USD Class	MYR Hedged -Class	SGD Hedged -Class	AUD Hedged -Class	GBP Hedged -Class	USD Class	MYR Hedged -Class	SGD Hedged -Class	AUD Hedged -Class	GBP Hedged -Class
Total NAV (million)	14.173	139.948	4.780	11.416	3.207	7.613	67.959	2.123	9.999	2.635	6.221	80.827	2.435	10.617	3.238
NAV per Unit (in respective currencies)	0.4022	0.4123	0.3998	0.3974	0.3933	0.4370	0.4541	0.4376	0.4414	0.4340	0.4800	0.4918	0.4813	0.4871	0.4790
Unit in Circulation (million)	35.236	339.250	11.956	28.724	8.154	17.421	149.614	4.851	22.655	6.071	12.960	164.433	5.059	21.797	6.760
Highest NAV	0.4387	0.4558	0.4392	0.4430	0.4356	0.4805	0.4930	0.4820	0.4877	0.4793	0.5000	0.5027	0.5066	0.5072	0.5061
Lowest NAV	0.3935	0.4084	0.3933	0.3939	0.3874	0.4370	0.4541	0.4376	0.4414	0.4340	0.4092	0.4182	0.4141	0.4154	0.4089
Return of the Fund (%)	-3.15	-4.45	-3.92	-4.96	-4.37	-4.92	-3.66	-5.02	-5.38	-5.32	0.22	3.01	0.85	1.86	0.22
- Capital Growth (%)	-7.96	-9.21	-8.64	-9.97	-9.38	-8.96	-7.67	-9.08	-9.38	-9.39	-4.00	-1.64	-3.74	-2.58	-4.20
- Income Distribution (%)	5.23	5.23	5.16	5.56	5.53	4.43	4.34	4.46	4.42	4.50	4.40	4.72	4.77	4.55	4.62
Gross Distribution per Unit (sen)	2.10	2.17	2.07	2.23	2.18	2.02	2.04	2.04	2.04	2.04	2.02	2.21	2.20	2.13	2.12
Net Distribution per Unit (sen)	2.10	2.17	2.07	2.23	2.18	2.02	2.04	2.04	2.04	2.04	2.02	2.21	2.20	2.13	2.12
Total Expense Ratio (%) ¹			1.59					1.59					2.10		
Portfolio Turnover Ratio (times) ²			0.49					0.18					0.99		

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

¹ The Fund's TER decreased due to a higher average NAV of the fund during the financial year

² The Fund's PTR decreased due to a higher average NAV of the fund and decrease in total acquisition for the financial year.

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 (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
5-May-22	6-May-22	0.4371	0.0017	0.4354
6-Jun-22	7-Jun-22	0.4333	0.0015	0.4296
5-Jul-22	6-Jul-22	0.4182	0.0017	0.4172
7-Aug-22	8-Aug-22	0.4267	0.0017	0.4248
5-Sep-22	6-Sep-22	0.4158	0.0017	0.4155
5-Oct-22	6-Oct-22	0.4056	0.0026	0.4021
6-Nov-22	7-Nov-22	0.3969	0.0018	0.3956
5-Dec-22	6-Dec-22	0.4096	0.0019	0.4061
8-Jan-23	9-Jan-23	0.4056	0.0017	0.4077
6-Feb-23	7-Feb-23	0.4139	0.0017	0.4082
6-Mar-23	7-Mar-23	0.4008	0.0014	0.3994
6-Apr-23	7-Apr-23	0.4043	0.0016	0.4027

MYR Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
5-May-22	6-May-22	0.4540	0.0017	0.4524
6-Jun-22	7-Jun-22	0.4502	0.0017	0.4462
5-Jul-22	6-Jul-22	0.4345	0.0017	0.4336
7-Aug-22	8-Aug-22	0.4435	0.0017	0.4417
5-Sep-22	6-Sep-22	0.4321	0.0017	0.4318
5-Oct-22	6-Oct-22	0.4214	0.0026	0.4179
6-Nov-22	7-Nov-22	0.4117	0.0025	0.4095
5-Dec-22	6-Dec-22	0.4223	0.0017	0.4191
8-Jan-23	9-Jan-23	0.4182	0.0018	0.4201
6-Feb-23	7-Feb-23	0.4254	0.0016	0.4196
6-Mar-23	7-Mar-23	0.4122	0.0014	0.4107
6-Apr-23	7-Apr-23	0.4147	0.0016	0.4131

SGD Hedged-Class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
5-May-22	6-May-22	0.4376	0.0017	0.4359
6-Jun-22	7-Jun-22	0.4338	0.0015	0.4301
5-Jul-22	6-Jul-22	0.4184	0.0017	0.4175
7-Aug-22	8-Aug-22	0.4267	0.0017	0.4249
5-Sep-22	6-Sep-22	0.4158	0.0017	0.4155
5-Oct-22	6-Oct-22	0.4056	0.0025	0.4021
6-Nov-22	7-Nov-22	0.3969	0.0019	0.3955
5-Dec-22	6-Dec-22	0.4085	0.0014	0.4055
8-Jan-23	9-Jan-23	0.4050	0.0017	0.4069
6-Feb-23	7-Feb-23	0.4127	0.0017	0.4072
6-Mar-23	7-Mar-23	0.3997	0.0013	0.3983
6-Apr-23	7-Apr-23	0.4025	0.0019	0.4005

AUD Hedged-Class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
5-May-22	6-May-22	0.4413	0.0017	0.4395
6-Jun-22	7-Jun-22	0.4369	0.0015	0.4330
5-Jul-22	6-Jul-22	0.4209	0.0017	0.4200
7-Aug-22	8-Aug-22	0.4293	0.0017	0.4274
5-Sep-22	6-Sep-22	0.4178	0.0017	0.4176
5-Oct-22	6-Oct-22	0.4067	0.0026	0.4032
6-Nov-22	7-Nov-22	0.3977	0.0026	0.3957
5-Dec-22	6-Dec-22	0.4093	0.0017	0.4059
8-Jan-23	9-Jan-23	0.4046	0.0018	0.4063
6-Feb-23	7-Feb-23	0.4114	0.0016	0.4053
6-Mar-23	7-Mar-23	0.3977	0.0018	0.3959
6-Apr-23	7-Apr-23	0.4002	0.0019	0.3982

GBP Hedged-Class

Cum Date	Ex-Date	Cum-distribution (GBP)	Distribution per Unit (GBP)	Ex-distribution (GBP)
5-May-22	6-May-22	0.4340	0.0017	0.4322
6-Jun-22	7-Jun-22	0.4304	0.0015	0.4266
5-Jul-22	6-Jul-22	0.4147	0.0017	0.4138
7-Aug-22	8-Aug-22	0.4227	0.0017	0.4208
5-Sep-22	6-Sep-22	0.4105	0.0017	0.4102
5-Oct-22	6-Oct-22	0.4005	0.0026	0.3968
6-Nov-22	7-Nov-22	0.3909	0.0026	0.3891
5-Dec-22	6-Dec-22	0.4029	0.0019	0.3994
8-Jan-23	9-Jan-23	0.3989	0.0017	0.4004
6-Feb-23	7-Feb-23	0.4060	0.0018	0.4004
6-Mar-23	7-Mar-23	0.3927	0.0014	0.3913
6-Apr-23	7-Apr-23	0.3955	0.0015	0.3939

No unit splits were declared for the financial year ended 30 April 2023.

Performance Review**USD Class**

For the period 1 May 2022 to 30 April 2023, the Fund registered a -3.15% return compared to the benchmark return of -0.43%. The Fund thus underperformed the Benchmark by 2.72%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2023 was USD0.4022 while the NAV as at 30 April 2022 was USD0.4370. During the same period under review, the Fund has declared a total gross income distribution of USD0.02101 per unit.

Since commencement, the Fund has registered a return of -7.71% compared to the benchmark return of -6.92%, underperforming by 0.79%.

AUD Hedged-Class

For the period 1 May 2022 to 30 April 2023, the Fund registered a -4.96% return compared to the benchmark return of -0.43%. The Fund thus underperformed the Benchmark by 4.53%. The NAV of the Fund as at 30 April 2023 was AUD0.3974 while the NAV as at 30 April 2022 was AUD0.4414. During the same period under review, the Fund has declared a total gross income distribution of AUD0.02228 per unit.

Since commencement, the Fund has registered a return of -8.40% compared to the benchmark return of -6.92%, underperforming by 1.48%.

GBP Hedged-Class

For the period 1 May 2022 to 30 April 2023, the Fund registered a -4.37% return compared to the benchmark return of -0.43%. The Fund thus underperformed the Benchmark by 3.94%. The NAV of the Fund as at 30 April 2023 was GBP0.3933 while the NAV as at 30 April 2022 was GBP0.4340. During the same period under review, the Fund has declared a total gross income distribution of GBP0.02182 per unit.

Since commencement, the Fund has registered a return of -9.26% compared to the benchmark return of -6.92%, underperforming by 2.34%.

MYR Hedged-Class

For the period 1 May 2022 to 30 April 2023, the Fund registered a -4.45% return compared to the benchmark return of -0.43%. The Fund thus underperformed the Benchmark by 4.02%. The NAV of the Fund as at 30 April 2023 was RM 0.4123 while the NAV as at 30 April 2022 was RM 0.4541. During the same period under review, the Fund has declared a total gross income distribution of RM 0.02173 per unit.

Since commencement, the Fund has registered a return of -5.19% compared to the benchmark return of -6.92%, outperforming by 1.73%.

SGD Hedged-Class

For the period 1 May 2022 to 30 April 2023, the Fund registered a -3.92% return compared to the benchmark return of -0.43%. The Fund thus underperformed the Benchmark by 3.49%. The NAV of the Fund as at 30 April 2023 was SGD0.3998 while the NAV as at 30 April 2022 was SGD0.4376. During the same period under review, the Fund has declared a total gross income distribution of SGD0.02071 per unit.

Since commencement, the Fund has registered a return of -7.97% compared to the benchmark return of -6.92%, underperforming by 1.05%.

Table 1: Performance of the Fund

	1 Year (1/5/22 - 30/4/23)	3 Years (1/5/20 - 30/4/23)	Since Commencement (24/2/20 - 30/4/23)
Benchmark	(0.43%)	(9.15%)	(6.92%)
USD Class	(3.15%)	3.21%	(7.71%)
Outperformance	(2.72%)	12.36%	(0.79%)
AUD Hedged Class	(4.96%)	0.22%	(8.40%)
Outperformance	(4.53%)	9.37%	(1.48%)
GBP Hedged Class	(4.37%)	1.19%	(9.26%)
Outperformance	(3.94%)	10.34%	(2.34%)
MYR Hedged Class	(4.45%)	3.87%	(5.19%)
Outperformance	(4.02%)	13.02%	1.73%
SGD Hedged Class	(3.92%)	1.98%	(7.97%)
Outperformance	(3.49%)	11.13%	(1.05%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/22 - 30/4/23)	3 Years (1/5/20 - 30/4/23)	Since Commencement (24/2/20 - 30/4/23)
Benchmark	(0.43%)	(3.15%)	(2.23%)
USD Class	(3.15%)	1.06%	(2.49%)
Outperformance	(2.72%)	4.21%	(0.26%)
AUD Hedged Class	(4.96%)	0.07%	(2.72%)
Outperformance	(4.53%)	3.22%	(0.49%)

GBP Hedged Class	(4.37%)	0.39%	(3.00%)
Outperformance	(3.94%)	3.54%	(0.77%)
MYR Hedged Class	(4.45%)	1.27%	(1.66%)
Outperformance	(4.02%)	4.42%	0.57%
SGD Hedged Class	(3.92%)	0.66%	(2.58%)
Outperformance	(3.49%)	3.81%	(0.35%)

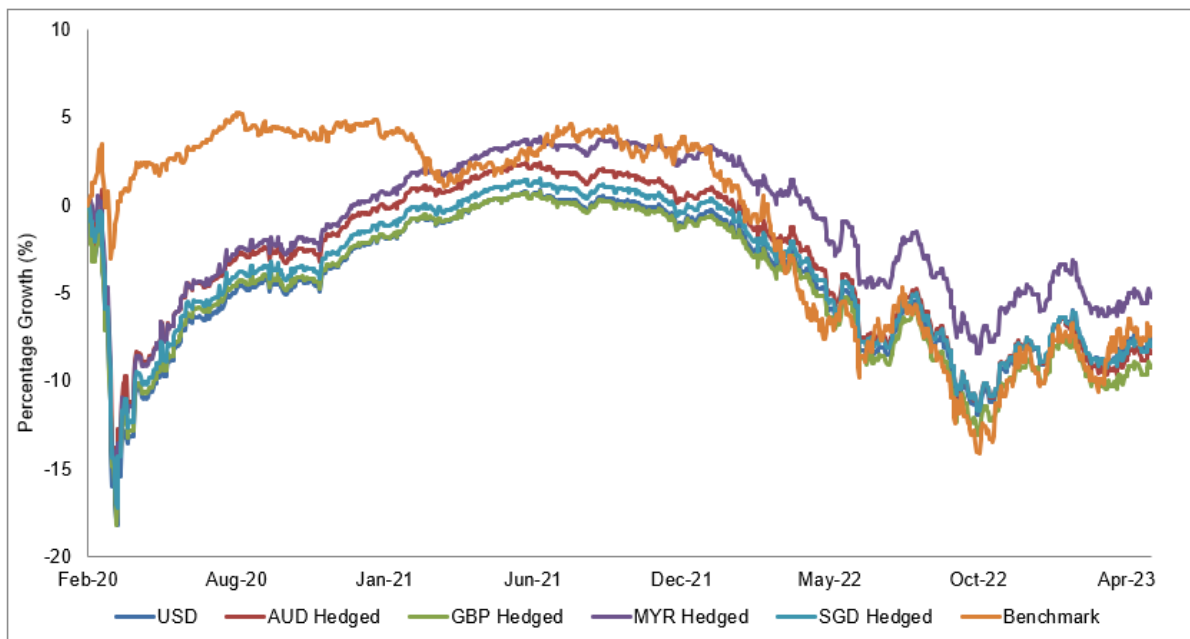
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/5/22 - 30/4/23)	FYE 2022 (1/5/21 - 30/4/22)	FYE 2021 (24/2/20 - 30/4/21)
Benchmark	(0.43%)	(8.51%)	2.18%
USD Class	(3.15%)	(4.92%)	0.22%
Outperformance	(2.72%)	3.59%	(1.96%)
AUD Hedged Class	(4.96%)	(5.38%)	1.86%
Outperformance	(4.53%)	3.13%	(0.32%)
GBP Hedged Class	(4.37%)	(5.32%)	0.22%
Outperformance	(3.94%)	3.19%	(1.96%)
MYR Hedged Class	(4.45%)	(3.66%)	3.01%
Outperformance	(4.02%)	4.85%	0.83%
SGD Hedged Class	(3.92%)	(5.02%)	0.85%
Outperformance	(3.49%)	3.49%	(1.33%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.



“This information is prepared by AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) for information purposes only. Past earnings or the fund’s distribution record is not a guarantee or reflection of the fund’s future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg.”

Benchmark: Bloomberg Barclays US Aggregate Bond Index (Total Return Gross)

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 2023, the asset allocation of the Fund's exposure to the collective investment scheme stood at 97.69% of the Fund's NAV, while the balance was held in cash.

Strategies Employed

The Fund continues to be highly invested in the Target Fund. The Target Fund maintains its aim to provide income by investing primarily in debt securities.

Market Review

The period under review witnessed market fluctuations and economic developments driven by various global and domestic factors. The performance of global markets during the reviewed period exhibited mixed results. The S&P 500 returned 2.64%, while the MSCI AC World Index registered a slightly higher return of 3.77%. However, the MSCI AC Asia ex Japan Index experienced a decline of -5.63%, indicating regional challenges. The FTSE Bursa Malaysia also faced a decline of -7.71%. In the bond markets, the Bloomberg Barclays Global Aggregate Index declined by -2.31%, while local bond markets experienced slight gains, with the benchmark 10-year MGS yield closing at 3.84%.

The financial year began with Federal Reserve Chair Jerome Powell affirming the central bank's hawkish pivot towards taming inflation. The May 2022 Federal Open Market Committee ("FOMC") meeting resulted in a 50 basis points rate hike, and subsequently throughout the next 12 months, the US Federal Reserve ("Fed") raised policy rates to the current level of 5%. The sharp pace of tightening raised concerns in financial markets, as over-tightening could potentially lead to a growth slowdown. The People's Bank of China ("PboC") however, implemented a sharper-than-expected 15 basis points reduction in its prime rate for 5-year loans. This move is aimed to cushion the impact of a slowdown and stimulate growth in China's property sector, which plays a significant role in its economy.

Global equities were volatile in the first quarter of 2023 as turmoil in the banking sector jolted markets. The fallout of Silicon Valley Bank had an impact on US equities as concerns about contagion spread throughout Wall Street. The commercial bank, known for providing loans primarily to start-up and technology companies, faced a severe cash shortage as it was forced to realize losses in its bond securities. Similarly, San Francisco-based First Republic, like many other regional lenders, found itself in a tight spot due to the Fed's decision to raise interest rates in its fight against inflation. Consequently, the value of the bonds held by the bank, purchased at lower interest rates, suffered. As fears about the well-being of First Republic grew, depositors began seeking alternative options as fears spread about First Republic's health. Concerns about the U.S debt ceiling also weighed on sentiments as failing to reach an agreement on raising or suspending the ceiling would result in severe spending cuts by the government.

The MSCI AC World Index over the 12 months period, financials were weak amid turmoil in the banking sector mentioned earlier. While energy was the largest contributor to the index over the reviewed period, declining oil prices over the past 3 months affected negatively on the returns of the index.

Throughout the year, the MSCI Asia ex Japan Index experienced weakness primarily due to volatility in China. A growing wave of mortgage boycotts by homebuyers and concerns related to COVID-19 flare-ups spooked investors. Investors became cautious about the potential impact of the increase in COVID-19 infections on economic growth and corporate earnings. Lockdowns, travel restrictions, and supply chain disruptions weighed on business activities, affecting market performance across multiple sectors. Tensions between the United States and China also played a significant role in shaping the market dynamics. Throughout the year, diplomatic and trade tensions between the two countries were rekindled, leading to uncertainties and market jitters. Escalating disputes and the possibility of further restrictions or tariffs on

trade created a challenging environment for businesses operating in the region and the resulting uncertainty impacted investor confidence and contributed to the weakness observed in index.

Taiwan and Korea, two export-driven economies heavily reliant on technology sectors, faced specific challenges during the review period. With the global economy slowdown, demand for technological components and devices waned, affecting the performance of these countries' export-oriented industries. Reduced demand, coupled with supply chain disruptions and uncertainties in the global market, led to a decline in economic activities and negatively impacted the performance of the regional index.

The bond market over the period was influenced by a combination of factors including central bank actions, inflation concerns and currency movements. Bond yields showed mixed movements during this period. Towards the end of 2022, government bond yields edged up due to market disappointment at the hawkish tone from central banks, despite evidence of slowing economic growth. However, in 2023, yields fluctuated initially pricing in rate hikes and later discounting rate cuts due to concerns over the banking crisis.

On the domestic front, Bank Negara Malaysia (“BNM”) raised the Overnight Policy Rate (“OPR”) by 25 basis points to 2.00% during its Monetary Policy Committee meeting in May 2022. By the end of the financial period under review, the OPR reached 2.75%. The central bank cited that the global economy persists to be weighed down by elevated cost pressures and higher interest rates. While headline inflation moderated slightly, core inflation remained elevated. BNM emphasized the nature of rate adjustments remains accommodative and supportive of economic growth.

The year under review also witnessed the appointment of Datuk Seri Anwar Ibrahim as Malaysia's 10th Prime Minister. In his budget speech in February 2023, Prime Minister cum Finance Minister Datuk Seri Anwar Ibrahim emphasized fiscal discipline and outlined measures to reduce the country's fiscal deficit to 5.00% of gross domestic product (“GDP”). These measures included to achieve this goal includes the introduction of new tax measures, such as a luxury goods tax, excise duties on nicotine-containing products, and higher dividends from national major Petronas, amounting to RM 40 billion.

Investment Outlook

Recession remains the Target Fund Manager's base case, as persistently high inflation, higher borrowing rates, tighter financial conditions, and consumer fatigue are likely to weigh on growth. The rise in US mortgage rates, from 3% at year end 2021 to over 6%, has slowed the housing market. At the same time, headwinds facing the US economy are growing stronger. As the Fed continues to hike rates at the fastest pace since 1980 and run down the balance sheet, borrowing costs are rising and financial conditions have tightened. The recent volatility across financials only solidifies their base case view of recession. Importantly, markets have already gone through dramatic repricing and offer more attractive valuations given the heightened potential risks.

In 2022, high inflation and low unemployment caused the Fed to raise policy rates into restrictive territory, despite downside risks to growth and rising recession probabilities. As the Fed continued hiking rates into 2023, cracks began to appear in the market, particularly in the US regional banking sector, due to the lagged and variable effects of tightening monetary policy. After the Fed hiked another 25 basis points in May, it is likely they are approaching the end of the tightening cycle if they are not already there.

Given this backdrop, the fund is focused on continuing to upgrade its credit quality, increasing its liquidity profile, and allocating towards sectors where the Target Fund Manager continue to have a positive fundamental outlook and, in their current view, offer attractive yield characteristics for the potential risks. The Target Fund Manager believe the Target fund's current duration positioning and diversified allocations to higher-quality securitised investments, higher-quality high yield corporates, and select emerging market debt look attractive as they progress through the second quarter of 2023.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

During the financial period under review, no soft commission was received by the management company on behalf of the Fund.

Cross Trade

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

Securities Financing Transactions

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

Changes Made to The Fund's Information Memorandum

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

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND ("FUND")

We have acted as the Trustee of the Fund for the financial year ended 30 April 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

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

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
27 June 2023

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED TO 30 APRIL 2023

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

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AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
INVESTMENT LOSS			
Dividend income		1,996,592	1,856,428
Interest income from financial assets at amortised cost		3,139	490
Net loss on forward foreign currency contracts at fair value through profit or loss	10	(1,532,907)	(2,084,490)
Net loss on foreign currency exchange		(24,684)	(6,126)
Net loss on financial assets at fair value through profit or loss	9	(2,363,260)	(3,164,411)
		<u>(1,921,120)</u>	<u>(3,398,109)</u>
EXPENSES			
Management fee	4	(561,452)	(612,315)
Trustee fee	5	(22,502)	(24,514)
Fund accounting fee	6	(3,396)	(3,344)
Auditors' remuneration		(1,795)	(1,912)
Tax agent's fee		(785)	(836)
Other expenses		(5,179)	(6,958)
		<u>(595,109)</u>	<u>(649,879)</u>
NET LOSS BEFORE FINANCE COST AND TAXATION		(2,516,229)	(4,047,988)
FINANCE COST			
Distributions	8	(1,872,291)	(1,761,247)
NET LOSS BEFORE TAXATION		(4,388,520)	(5,809,235)
Taxation	7	-	(18,240)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(4,388,520)</u>	<u>(5,827,475)</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Decrease in net assets attributable to unitholders comprise the following:			
Realised amount		(2,840,939)	(1,378,560)
Unrealised amount		(1,547,581)	(4,448,915)
		<u>(4,388,520)</u>	<u>(5,827,475)</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 - GLOBAL HIGH INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
ASSETS			
Cash and cash equivalents	12	1,475,580	1,268,583
Amount due from Manager			
- creation of units		1,068,103	123
- management fee rebate receivable		23,275	14,794
Amount due from brokers		-	565,862
Financial assets at fair value through profit or loss	9	59,213,661	34,527,528
Forward foreign currency contracts at fair value through profit or loss	10	138,130	5,515
Tax recoverable		12,518	8,633
TOTAL ASSETS		<u>61,931,267</u>	<u>36,391,038</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	578,344	900,201
Amount due to brokers		600,000	4,660
Amount due to Manager			
- management fee		72,050	45,290
- cancellation of units		57,772	212,007
Amount due to Trustee		2,882	1,812
Fund accounting fee		262	-
Auditors' remuneration		1,794	1,838
Tax agent's fee		785	804
Other payables and accruals		846	986
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>1,314,735</u>	<u>1,167,598</u>
NET ASSET VALUE OF THE FUND		<u>60,616,532</u>	<u>35,223,440</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>60,616,532</u>	<u>35,223,440</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

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

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		7,512,809	7,159,609
- GBP Hedged-class		3,993,792	3,303,962
- MYR Hedged-class		31,362,616	15,610,208
- SGD Hedged-class		3,574,295	1,536,200
- USD Class		14,173,020	7,613,461
		<u>60,616,532</u>	<u>35,223,440</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	11(a)	28,724,000	22,655,000
- GBP Hedged-class	11(b)	8,154,000	6,071,000
- MYR Hedged-class	11(c)	339,250,000	149,614,000
- SGD Hedged-class	11(d)	11,956,000	4,851,000
- USD class	11(e)	35,236,000	17,421,000
		<u>423,320,000</u>	<u>200,612,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.2616	0.3160
- GBP Hedged-class		0.4898	0.5442
- MYR Hedged-class		0.0924	0.1043
- SGD Hedged-class		0.2990	0.3167
- USD Class		0.4022	0.4370
		<u>0.4022</u>	<u>0.4370</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.3974	AUD0.4414
- GBP Hedged-class		GBP0.3933	GBP0.4340
- MYR Hedged-class		RM0.4123	RM0.4541
- SGD Hedged-class		SGD0.3998	SGD0.4376
- USD Class		USD0.4022	USD0.4370
		<u>USD0.4022</u>	<u>USD0.4370</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 - GLOBAL HIGH INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>2023</u> USD	<u>2022</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	35,223,440	40,627,233
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	31,894,762	10,794,335
- AUD Hedged-class	1,840,294	2,429,027
- GBP Hedged-class	1,574,196	785,028
- MYR Hedged-class	18,528,297	3,864,526
- SGD Hedged-class	2,438,483	362,812
- USD Class	7,513,492	3,352,942
Creation of units arising from distributions	1,358,494	1,225,885
- AUD Hedged-class	263,844	256,663
- GBP Hedged-class	74,594	76,862
- MYR Hedged-class	581,675	547,307
- SGD Hedged-class	70,814	64,151
- USD Class	367,567	280,902
Cancellation of units	(3,471,644)	(11,596,538)
- AUD Hedged-class	(477,365)	(2,306,108)
- GBP Hedged-class	(640,420)	(1,291,126)
- MYR Hedged-class	(1,292,864)	(6,012,159)
- SGD Hedged-class	(377,063)	(491,985)
- USD Class	(683,932)	(1,495,160)
Decrease in net assets attributable to unitholders during the financial year	(4,388,520)	(5,827,475)
- AUD Hedged-class	(1,273,573)	(1,486,025)
- GBP Hedged-class	(318,540)	(780,053)
- MYR Hedged-class	(2,064,700)	(2,579,014)
- SGD Hedged-class	(94,139)	(236,622)
- USD Class	(637,568)	(745,761)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>60,616,532</u>	<u>35,223,440</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 - GLOBAL HIGH INCOME FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>2023</u> USD	<u>2022</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	5,070,594	7,455,332
Purchase of investments	(31,141,252)	(6,640,340)
Dividend received	1,996,592	1,856,428
Interest received	3,139	490
Management fee paid	(534,692)	(615,918)
Management fee rebate received	173,986	200,712
Trustee fee paid	(21,432)	(24,658)
Fund accounting fee paid	(3,134)	(3,344)
Payment for other fees and expenses	(7,962)	(9,700)
Net realised (loss)/gain on foreign currency exchange	(7,850)	6,614
Realised loss on forward foreign currency contracts	(1,987,379)	(780,252)
Tax paid	(3,885)	(26,873)
	<hr/>	<hr/>
Net cash flows (used in)/ generated from operating activities	(26,463,275)	1,418,491
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	30,826,782	10,977,777
Payments for cancellation of units	(3,625,879)	(11,397,946)
Payment for distributions	(513,797)	(535,362)
	<hr/>	<hr/>
Net cash flows generated from/(used in) financing activities	26,687,106	(955,531)
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	223,831	462,960
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(16,834)	(12,740)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	1,268,583	818,363
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,475,580	1,268,583
	<hr/> <hr/>	<hr/> <hr/>

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 - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

B INCOME RECOGNITION

Dividend income

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

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 loss on sale of investments

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

C FINANCE COST

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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.

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

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

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from brokers 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 brokers, fund accounting fee, 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.

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

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

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

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

Investment in CIS is valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position as at 30 April 2023 and 30 April 2022.

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I AMOUNT DUE FROM/(TO) BROKERS

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

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

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

J 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, GBP Hedged-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 NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholders exercises the right to put back the unit to the Fund.

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

K DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

L (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Functional currency

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

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series – Global High Income Fund (the “Fund”) pursuant to the execution of a Deed dated 2 January 2020 (the “Deed”) entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 9 January 2020 and will continue its operations until terminated by the Trustee as provided under Division 11.3 of the Deed.

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

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

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

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

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

The financial statements were authorised for issue by the Manager on 27 June 2023.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,475,580	-	1,475,580
Amount due from Manager				
- creation of units		1,068,103	-	1,068,103
- management fee rebate receivable		23,275	-	23,275
Collective investment scheme	9	-	59,213,661	59,213,661
Forward foreign currency contracts at fair value through profit or loss	10	-	138,130	138,130
Total		<u>2,566,958</u>	<u>59,351,791</u>	<u>61,918,749</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	10	-	578,344	578,344
Amount due to brokers		600,000	-	600,000
Amount due to Manager				
- management fee		72,050	-	72,050
- cancellation of units		57,772	-	57,772
Amount due to Trustee		2,882	-	2,882
Fund accounting fee		262	-	262
Auditors' remuneration		1,794	-	1,794
Tax agent's fee		785	-	785
Other payables and accruals		846	-	846
Total		<u>736,391</u>	<u>578,344</u>	<u>1,314,735</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,268,583	-	1,268,583
Amount due from Manager				
- creation of units		123	-	123
- management fee rebate receivable		14,794	-	14,794
Amount due from brokers		565,862	-	565,862
Collective investment scheme	9	-	34,527,528	34,527,528
Forward foreign currency contracts at fair value through profit or loss	10	-	5,515	5,515
Total		<u>1,849,362</u>	<u>34,533,043</u>	<u>36,382,405</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts at fair value through profit or loss	10	-	900,201	900,201
Amount due to brokers		4,660	-	4,660
Amount due to Manager				
- management fee		45,290	-	45,290
- cancellation of units		212,007	-	212,007
Amount due to Trustee		1,812	-	1,812
Auditors' remuneration		1,838	-	1,838
Tax agent's fee		804	-	804
Other payables and accruals		986	-	986
Total		<u>267,397</u>	<u>900,201</u>	<u>1,167,598</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), liquidity risk, credit 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 - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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>2023</u> USD	<u>2022</u> USD
Quoted investment		
Collective investment scheme	59,213,661	34,527,528

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

<u>% Change in price</u>	<u>Market value</u> USD	Impact on loss after <u>tax/NAV</u> USD
<u>2023</u>		
-5%	56,252,978	(2,960,683)
0%	59,213,661	-
+5%	62,174,344	2,960,683
<u>2022</u>		
-4%	33,146,427	(1,381,101)
0%	34,527,528	-
+4%	35,908,629	1,381,101

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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 the interest rate risk is mainly confined to a short-term deposit placement with a licensed financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

The Fund's exposure to interest rate risk associated with a deposit with licensed financial institutions is not material as the carrying value of deposit is 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:

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>				
<u>Financial assets</u>				
Australian Dollar	-	10,505	93,984	104,489
British Pound Sterling	122,453	159,359	185,383	467,195
Malaysian Ringgit	14,212	182,094	551,345	747,651
Singapore Dollar	1,465	127,501	102,105	231,071
	<u>138,130</u>	<u>479,459</u>	<u>932,817</u>	<u>1,550,406</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

	<u>Forward foreign currency contracts</u> USD	<u>Other payables*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>2023</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	214,362	-	7,512,809	7,727,171
British Pound Sterling	2,031	-	3,993,792	3,995,823
Malaysian Ringgit	335,971	3,687	31,362,616	31,702,274
Singapore Dollar	25,980	-	3,574,295	3,600,275
	<u>578,344</u>	<u>3,687</u>	<u>46,443,512</u>	<u>47,025,543</u>

* Other liabilities consist of auditor's remuneration, tax agent's fee, fund accounting fee and other payables and accruals.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar	5,515	6,799	-	12,314
British Pound Sterling	-	6,059	-	6,059
Malaysian Ringgit	-	3,187	123	3,310
Singapore Dollar	-	384	-	384
	<u>5,515</u>	<u>16,429</u>	<u>123</u>	<u>22,067</u>

	<u>Forward foreign currency contracts</u> USD	<u>Amount due to Manager</u> USD	<u>Other payables*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>					
Australian Dollar	127,783	116,596	-	7,159,609	7,403,988
British Pound Sterling	271,515	-	-	3,303,962	3,575,477
Malaysian Ringgit	478,982	1,256	3,628	15,610,208	16,094,074
Singapore Dollar	21,921	-	-	1,536,200	1,558,121
	<u>900,201</u>	<u>117,852</u>	<u>3,628</u>	<u>27,609,979</u>	<u>28,631,660</u>

* Other liabilities consist of auditor's remuneration, tax agent's fee and other payables and accruals.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding 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 loss after tax/ NAV USD
<u>2023</u>		
Australian Dollar	+/-14.20	+/- 1,082,421
British Pound Sterling	+/-13.00	+/- 458,722
Malaysian Ringgit	+/- 5.68	+/- 1,758,223
Singapore Dollar	+/-5.88	+/- 198,109
<u>2022</u>		
Australian Dollar	+/-9.43	+/- 696,876
British Pound Sterling	+/-6.91	+/- 246,687
Malaysian Ringgit	+/-3.35	+/- 538,628
Singapore Dollar	+/-3.96	+/- 61,751

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 bank balances and other instruments, which are capable of being converted into cash within 7 days.

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.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Liquidity risk (continued)

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

	Within <u>one month</u> USD	Between one month <u>to one year</u> USD	<u>Total</u> USD
<u>2023</u>			
Forward foreign currency contracts	298,883	279,461	578,344
Amount due to brokers	600,000	-	600,000
Amount due to Manager			
- management fee	72,050	-	72,050
- cancellation of units	57,772	-	57,772
Amount due to Trustee	2,882	-	2,882
Auditors' remuneration	-	1,794	1,794
Tax agent fee	-	785	785
Fund accounting fee	-	262	262
Other payables and accruals	-	846	846
Net assets attributable to unitholders*	60,616,532	-	60,616,532
	<u>61,648,119</u>	<u>283,148</u>	<u>61,931,267</u>
<u>2022</u>			
Forward foreign currency contracts	106,820	793,381	900,201
Amount due to brokers	4,660	-	4,660
Amount due to Manager			
- management fee	45,290	-	45,290
- cancellation of units	212,007	-	212,007
Amount due to Trustee	1,812	-	1,812
Auditors' remuneration	-	1,838	1,838
Tax agent fee	-	804	804
Other payables and accruals	-	986	986
Net assets attributable to unitholders*	35,223,440	-	35,223,440
	<u>35,594,029</u>	<u>797,009</u>	<u>36,391,038</u>

*Outstanding units are redeemed on demand at the unitholder's option. 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 - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Credit risk

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

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

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:

	<u>Forward Foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>				
Financial Services				
- AA1	8,369	-	-	8,369
- AA3	593	-	-	593
- AAA	83,462	1,475,580	-	1,559,042
- NR	45,706	-	-	45,706
Others				
- NR	-	-	1,091,378	1,091,378
	<u>138,130</u>	<u>1,475,580</u>	<u>1,091,378</u>	<u>2,705,088</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Credit risk (continued)

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

	<u>Forward Foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Amount due from brokers</u> USD	<u>Total</u> USD
<u>2022</u>					
Financial Services					
- AAA	5,515	1,268,583	-	-	1,274,098
Others					
- NR	-	-	14,917	565,862	580,779
	<u>5,515</u>	<u>1,268,583</u>	<u>14,917</u>	<u>565,862</u>	<u>1,854,877</u>

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.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

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.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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>2023</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	59,213,661	-	-	59,213,661
- forward foreign currency contracts	-	138,130	-	138,130
	<u>59,213,661</u>	<u>138,130</u>	<u>-</u>	<u>59,351,791</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	578,344	-	578,344
	<u>-</u>	<u>578,344</u>	<u>-</u>	<u>578,344</u>
<u>2022</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	34,527,528	-	-	34,527,528
- forward foreign currency contracts	-	5,515	-	5,515
	<u>34,527,528</u>	<u>5,515</u>	<u>-</u>	<u>34,533,043</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	900,201	-	900,201
	<u>-</u>	<u>900,201</u>	<u>-</u>	<u>900,201</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

4 MANAGEMENT FEE

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

For the financial year ended 30 April 2023, management fee is recognised at a rate of 1.50% (2022: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis.

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

5 TRUSTEE FEE

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

For the financial year ended 30 April 2023, the Trustee's fee is recognised at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis.

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is USD 3,396 (2022: USD 3,344) per annum.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

7 TAXATION

	<u>2023</u> USD	<u>2022</u> USD
Current taxation	-	18,240

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

	<u>2023</u> USD	<u>2022</u> USD
Net loss before taxation	(4,388,520)	(5,809,235)
Tax at Malaysian statutory rate of 24% (2022: 24%)	(1,053,245)	(1,394,216)
Tax effects of:		
Investment loss not brought to tax	514,000	873,436
Expenses not deductible for tax purposes	456,997	431,221
Restriction on tax deduction expenses for Wholesale Funds	82,248	89,559
Foreign income subject to different tax rate	-	18,240
Tax expense	-	18,240

8 DISTRIBUTIONS

	<u>2023</u> USD	<u>2022</u> USD
Distributions to unitholders are from the following sources:		
Dividend income	1,870,411	1,618,454
Interest income	1,880	-
Prior years' realised income	-	142,793
Gross realised income	1,872,291	1,761,247
Less: Expenses	-	-
Net distribution amount	1,872,291	1,761,247

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

8 DISTRIBUTIONS (CONTINUED)

During the financial year ended 30 April 2023, distributions were made as follows:

	Gross/Net distribution per unit (sen)				
	AUD-Hedged class AUD	GBP-Hedged class MYR	MYR-Hedged class MYR	SGD-Hedged class SGD	USD class USD
<u>2023</u>					
06.05.2022	0.170	0.170	0.170	0.170	0.170
07.06.2022	0.150	0.150	0.170	0.150	0.150
06.07.2022	0.170	0.170	0.170	0.170	0.170
08.08.2022	0.170	0.170	0.170	0.170	0.170
06.09.2022	0.170	0.170	0.170	0.170	0.170
06.10.2022	0.260	0.260	0.260	0.250	0.260
07.11.2022	0.260	0.260	0.250	0.190	0.180
06.12.2022	0.170	0.190	0.170	0.140	0.190
09.01.2023	0.180	0.170	0.180	0.170	0.170
07.02.2023	0.160	0.180	0.160	0.170	0.170
07.03.2023	0.180	0.140	0.140	0.130	0.140
07.04.2023	0.188	0.152	0.163	0.191	0.161
	2.228	2.182	2.173	2.071	2.101
	2.228	2.182	2.173	2.071	2.101

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

8 DISTRIBUTIONS (CONTINUED)

During the financial year ended 30 April 2022, distributions were made as follows:

	Gross/Net distribution per unit (sen)				
	AUD-Hedged class AUD	GBP-Hedged class MYR	MYR-Hedged class MYR	SGD-Hedged class SGD	USD class USD
<u>2022</u>					
07.05.2021	0.17	0.17	0.17	0.17	0.17
04.06.2021	0.17	0.17	0.17	0.17	0.15
09.07.2021	0.17	0.17	0.17	0.17	0.17
06.08.2021	0.17	0.17	0.17	0.17	0.17
04.09.2021	0.17	0.17	0.17	0.17	0.17
08.10.2021	0.17	0.17	0.17	0.17	0.17
05.11.2021	0.17	0.17	0.17	0.17	0.17
06.12.2021	0.17	0.17	0.17	0.17	0.17
07.01.2022	0.17	0.17	0.17	0.17	0.17
07.02.2022	0.17	0.17	0.17	0.17	0.17
07.03.2022	0.17	0.17	0.17	0.17	0.17
06.04.2022	0.17	0.17	0.17	0.17	0.17
	2.04	2.04	2.04	2.04	2.02
	2.04	2.04	2.04	2.04	2.02

Gross distribution per unit is derived from gross realised income less expense 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.

The distribution made for the financial year includes an amount of USD Nil (2022: USD142,793) from previous years' realised income.

During the financial year ended 30 April 2023, the Fund incurred unrealised loss of USD1,547,581 (2022: USD4,448,915).

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	<u>59,213,661</u>	<u>34,527,528</u>
	<u>2023</u> USD	<u>2022</u> USD
Net loss on financial assets at fair value through profit or loss		
- realised loss on sale of investments	(560,508)	(232,205)
- unrealised loss on changes in fair value	(1,985,219)	(3,131,937)
- management fee rebate on collective investment scheme#	<u>182,467</u>	<u>199,731</u>
	<u>(2,363,260)</u>	<u>(3,164,411)</u>

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

(a) Collective investment scheme

(i) Collective investment scheme as at 30 April 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
JPMorgan Funds - Income Fund (Class C)	<u>696,140</u>	<u>63,658,375</u>	<u>59,213,661</u>	<u>97.69</u>
Total collective investment scheme	<u>696,140</u>	<u>63,658,375</u>	<u>59,213,661</u>	<u>97.69</u>
Accumulated unrealised loss on collective investment scheme		<u>(4,444,714)</u>		
Total collective investment scheme		<u>59,213,661</u>		

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
JPMorgan Funds - Income Fund (Class C)	375,994	36,987,023	34,527,528	98.02
Total collective investment scheme	<u>375,994</u>	<u>36,987,023</u>	<u>34,527,528</u>	<u>98.02</u>
Accumulated unrealised loss on collective investment scheme		<u>(2,459,495)</u>		
Total collective investment scheme		<u>34,527,528</u>		

(b) Target fund top 10 holdings

(i) The Target fund's top 10 holdings as at 30 April 2023 is as follows:

	<u>Percentage of target fund NAV %</u>
GNMA (United States)	4.40
GNMA (United States)	4.20
GNMA (United States)	2.80
GNMA (United States)	2.00
GNMA (United States)	1.80
GNMA (United States)	0.90
Connecticut Avenue Securities 2017-C02 (United States)	0.80
JPM Global High Yield Bond Fund (Luxembourg)	0.80
GNMA (United States)	0.80
Connecticut Avenue Securities 2017-C01 (United States)	0.70
Total	<u>19.20</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

(b) Target fund top 10 holdings (continued)

(ii) The Target fund's top 10 holdings as at 30 April 2022 is as follows:

	Percentage of target fund NAV %
GNMA (United States)	3.90
GNMA (United States)	3.50
GNMA (United States)	1.50
JPM Global High Yield Bond Fund (Luxembourg)	0.80
Dish Network (United States)	0.50
GNMA (United States)	0.40
Upstart Pass-through Trust (United States)	0.40
Freddie Mac Stacr 2018-HQA1 (United States)	0.40
CCO Holdings (United States)	0.40
Connecticut Avenue Securities 2017-C01 (United States)	0.40
Total	<u>12.20</u>

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 58 (2022: 20) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD45,973,124 (2022: USD28,972,242). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Hedged-class denominated in Australian Dollar, Malaysian Ringgit, Pound Sterling and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	<u>138,130</u>	<u>5,515</u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>578,344</u>	<u>900,201</u>
Net loss on forward foreign currency contracts at fair value through profit or loss		
- realised loss on forward foreign currency contracts	(1,987,379)	(780,252)
- unrealised gain/(loss) on changes in fair value	454,472	(1,304,238)
	<u>(1,532,907)</u>	<u>(2,084,490)</u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(i) Forward foreign currency contracts as at 30 April 2023 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Berhad#	5,951,767	5,962,137	(10,370)	(0.02)
BNP Paribas Malaysia Berhad	9,391,483	9,478,005	(86,522)	(0.14)
CIMB Bank Berhad	9,336,928	9,497,052	(160,124)	(0.26)
JP Morgan Chase Bank Berhad	11,703,608	11,802,468	(98,860)	(0.16)
Standard Chartered Bank Malaysia Berhad	9,149,124	9,233,462	(84,338)	(0.14)
Total forward foreign currency contracts	<u>45,532,910</u>	<u>45,973,124</u>	<u>(440,214)</u>	<u>(0.72)</u>

(ii) Forward foreign currency contracts as at 30 April 2022 is as follows:

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Berhad#	7,304,836	7,533,581	(228,745)	0.65
BNP Paribas Malaysia Berhad	5,337,692	5,457,503	(119,811)	0.34
CIMB Bank Berhad	8,161,930	8,491,430	(329,500)	0.94
JP Morgan Chase Bank Berhad	6,799,463	7,021,608	(222,145)	0.63
Standard Chartered Bank Malaysia Berhad	473,635	468,120	5,515	(0.02)
Total forward foreign currency contracts	<u>28,077,556</u>	<u>28,972,242</u>	<u>(894,686)</u>	<u>2.54</u>

The Manager is one of the opinion that all transactions with the former immediate holding company of the Manager have been entered into in the normal course of business of agreed terms between the related parties.

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION

(a)	AUD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	22,655,000	21,797,000
	Creation of units arising from applications	6,748,629	6,836,320
	Creation of units arising from distributions	952,352	738,065
	Cancellation of units during the financial year	<u>(1,631,981)</u>	<u>(6,716,385)</u>
	At the end of the financial year	<u><u>28,724,000</u></u>	<u><u>22,655,000</u></u>
(b)	GBP Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	6,071,000	6,760,000
	Creation of units arising from applications	3,293,934	1,206,988
	Creation of units arising from distributions	154,737	121,864
	Cancellation of units during the financial year	<u>(1,365,671)</u>	<u>(2,017,852)</u>
	At the end of the financial year	<u><u>8,154,000</u></u>	<u><u>6,071,000</u></u>
(c)	MYR Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	149,614,000	164,433,000
	Creation of units arising from applications	197,057,361	33,008,095
	Creation of units arising from distributions	6,139,080	4,763,795
	Cancellation of units during the financial year	<u>(13,560,441)</u>	<u>(52,590,890)</u>
	At the end of the financial year	<u><u>339,250,000</u></u>	<u><u>149,614,000</u></u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(d)	SGD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	4,851,000	5,059,000
	Creation of units arising from applications	8,123,671	1,028,915
	Creation of units arising from distributions	237,236	186,160
	Cancellation of units during the financial year	(1,255,907)	(1,423,075)
	At the end of the financial year	<u>11,956,000</u>	<u>4,851,000</u>
(e)	USD class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	17,421,000	12,960,000
	Creation of units arising from applications	18,600,488	7,066,746
	Creation of units arising from distributions	898,612	606,027
	Cancellation of units during the financial year	(1,684,100)	(3,211,773)
	At the end of the financial year	<u>35,236,000</u>	<u>17,421,000</u>

12 CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	USD	USD
Cash and bank balances	1,297,262	1,268,583
Deposit with a licensed financial institution	178,318	-
	<u>1,475,580</u>	<u>1,268,583</u>

Weighted average effective interest rates per annum of deposit with a licensed financial institution are as follows:

	<u>2023</u>	<u>2022</u>
	%	%
Deposit with a licensed financial institution	<u>2.75</u>	<u>-</u>

Deposit with a licensed financial institution of the Fund has an average maturity of 2 days (2022: Nil days).

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

13 TRANSACTIONS WITH BROKERS

- (i) Details of transaction with the brokers for the financial year ended 30 April 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
J.P. Morgan Asset Management (Singapore) Ltd	29,052,436	84.84
J.P. Morgan Securities (Asia Pacific) Ltd	4,266,031	12.46
J.P. Morgan Securities Plc	926,265	2.70
	<u>34,244,732</u>	<u>100.00</u>

- (ii) Details of transaction with the brokers for the financial year ended 30 April 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
J.P. Morgan Asset Management (Singapore) Ltd	12,618,461	88.26
J.P. Morgan Securities (Asia Pacific) Ltd	977,733	6.84
BlackRock Financial Management Inc	700,000	4.90
	<u>14,296,194</u>	<u>100.00</u>

14 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>
CVC Capital Partners Asia V L P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

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

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

	<u>2023</u>		<u>2022</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad (the units are held legally for booking purposes)				
- AUD Hedged-class	10,653	2,787	10,481	3,312
- GBP Hedged-class	10,987	5,381	10,460	5,692
- MYR Hedged-class	10,945	1,011	10,781	1,124
- SGD Hedged-class	14,975	4,478	16,019	5,073
- USD class	10,131	4,075	10,823	4,730
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Subsidiary and associated companies of the former penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)				
- MYR Hedged-class	-	-	1,020,704	106,459
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

15 TOTAL EXPENSE RATIO (“TER”)

	<u>2023</u> %	<u>2022</u> %
TER	1.59	1.59

TER is derived from the following calculation:

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

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, excluding sales and service tax on transaction costs
G	=	Average NAV of the Fund, calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was USD 37,502,416 (2022 USD40,855,453).

16 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2023</u>	<u>2022</u>
PTR (times)	0.49	0.18

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD31,736,592 (2022: USD6,275,000)
total disposal for the financial year = USD5,065,240 (2022: USD8,253,399)

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

17 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 41 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 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 April 2023 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
27 June 2023

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL HIGH
INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Affin Hwang World Series - Global High Income Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 April 2023 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 41.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

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.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND
(CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon (continued)

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - GLOBAL HIGH INCOME FUND
(CONTINUED)**

OTHER MATTERS

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

**PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants**

**Kuala Lumpur
27 June 2023**

DIRECTORY OF SALES OFFICE

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AHAM Asset Management Berhad

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