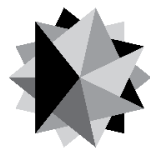


Affin Hwang World Series - Global Quantum Fund

Quarterly Report
31 January 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
CIMB Commerce Trustee Berhad (313031-A)

AFFIN HWANG WORLD SERIES – GLOBAL QUANTUM FUND

Quarterly Report and Financial Statements As at 31 January 2021

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QUARTERLY REPORT

FUND INFORMATION

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

FUND PERFORMANCE DATA

USD Class

Category	As at 31 Jan 2021	As at 31 Oct 2020
Total NAV (USD'million)	7.282	5.364
NAV per Unit (USD)	0.6772	0.5961
Unit in Circulation (million)	10.752	8.998

AUD Class

Category	As at 31 Jan 2021	As at 31 Oct 2020
Total NAV (AUD'million)	0.346	0.103
NAV per Unit (AUD)	0.7118	0.6825
Unit in Circulation (million)	0.486	0.151

GBP Class

Category	As at 31 Jan 2021	As at 31 Oct 2020
Total NAV (GBP'million)	0.129	0.060
NAV per Unit (GBP)	0.6903	0.6437
Unit in Circulation (million)	0.187	0.093

MYR Class

Category	As at 31 Jan 2021	As at 31 Oct 2020
Total NAV (RM'million)	17.147	14.211
NAV per Unit (RM)	0.7012	0.6346
Unit in Circulation (million)	24.456	22.393

MYR Hedged-class

Category	As at 31 Jan 2021	As at 31 Oct 2020
Total NAV (RM'million)	42.285	9.669
NAV per Unit (RM)	0.6554	0.5777
Unit in Circulation (million)	64.515	16.737

SGD Class

Category	As at 31 Jan 2021	As at 31 Oct 2020
Total NAV (SGD'million)	1.735	1.095
NAV per Unit (SGD)	0.6864	0.6205
Unit in Circulation (million)	2.527	1.765

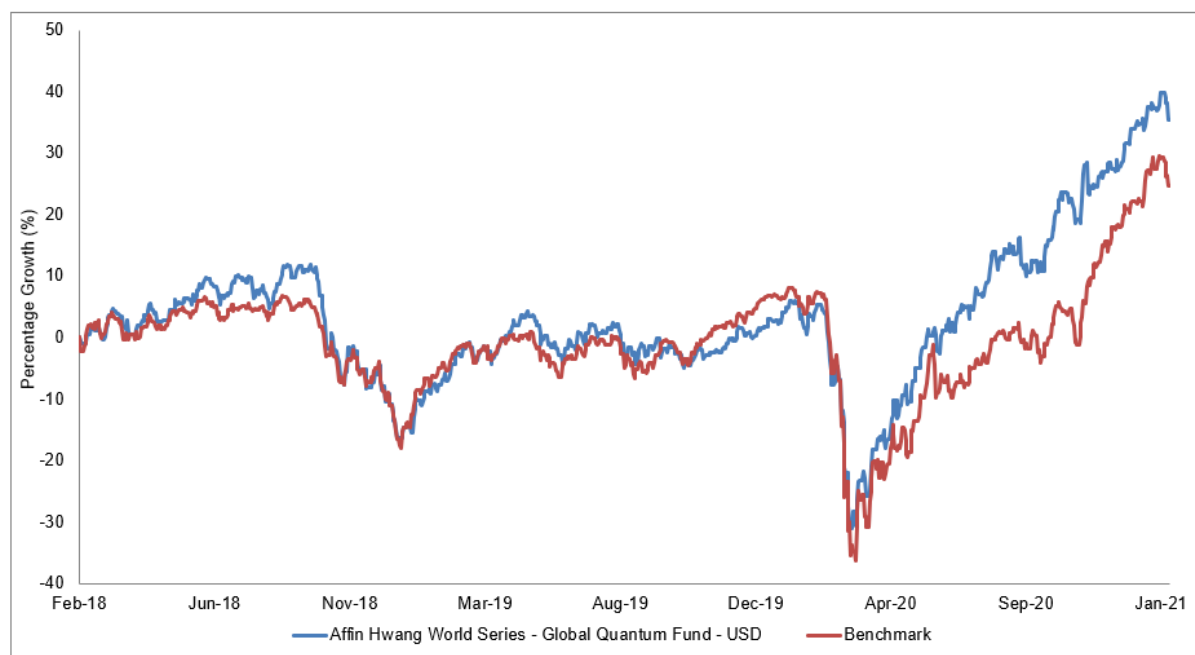
USD Class

Table 1: Performance as at 31 January 2021

	3 Months (1/11/20 - 31/1/21)	6 Months (1/8/20 - 31/1/21)	1 Year (1/2/20 - 31/1/21)	Since Commencement (8/2/18 - 31/1/21)
Fund	13.61%	24.26%	33.49%	35.44%
Benchmark	26.16%	30.02%	20.10%	24.69%
Outperformance	(12.55%)	(5.76%)	13.39%	10.75%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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Benchmark: MSCI AC World Small Cap Index

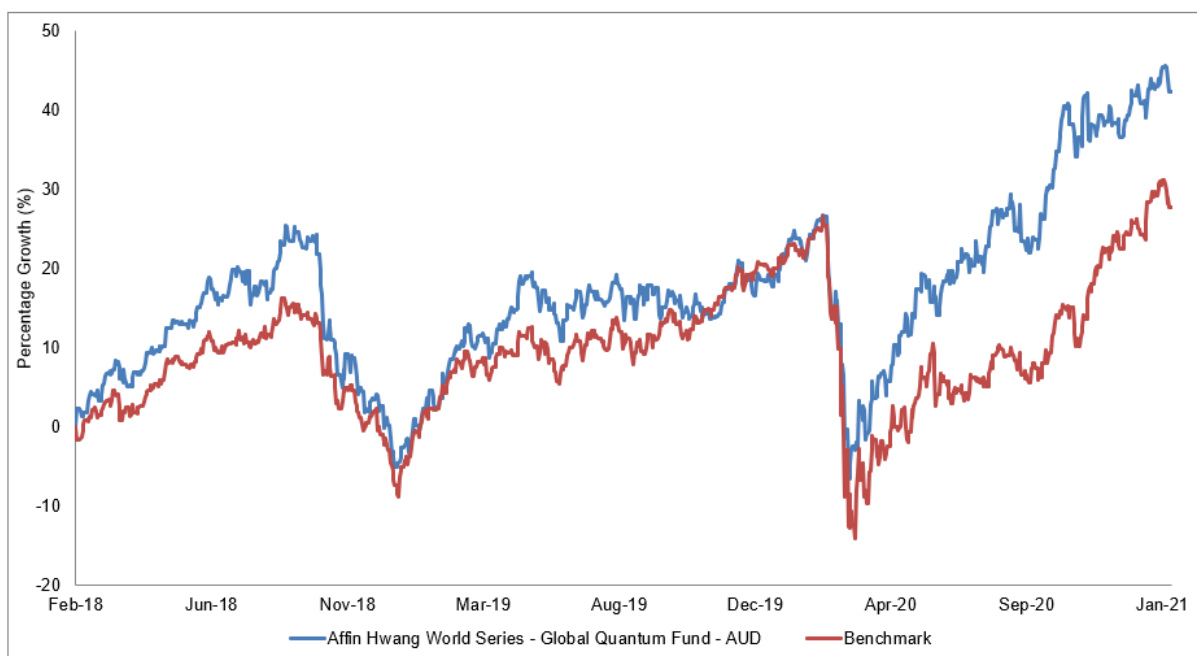
AUD Class

Table 1: Performance as at 31 January 2021

	3 Months (1/11/20 - 31/1/21)	6 Months (1/8/20 - 31/1/21)	1 Year (1/2/20 - 31/1/21)	Since Commencement (8/2/18 - 31/1/21)
Fund	4.29%	15.85%	16.57%	42.36%
Benchmark	15.86%	21.56%	5.24%	27.71%
Outperformance	(11.57%)	(5.71%)	11.33%	14.65%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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Benchmark: MSCI AC World Small Cap Index

GBP Class

Table 1: Performance as at 31 January 2021

	3 Months (1/11/20 - 31/1/21)	6 Months (1/8/20 - 31/1/21)	1 Year (1/2/20 - 31/1/21)	Since Commencement (8/2/18 - 31/1/21)
Fund	7.24%	17.94%	27.93%	38.06%
Benchmark	19.12%	24.26%	15.63%	26.22%
Outperformance	(11.88%)	(6.32%)	12.30%	11.84%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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Benchmark: MSCI AC World Small Cap Index

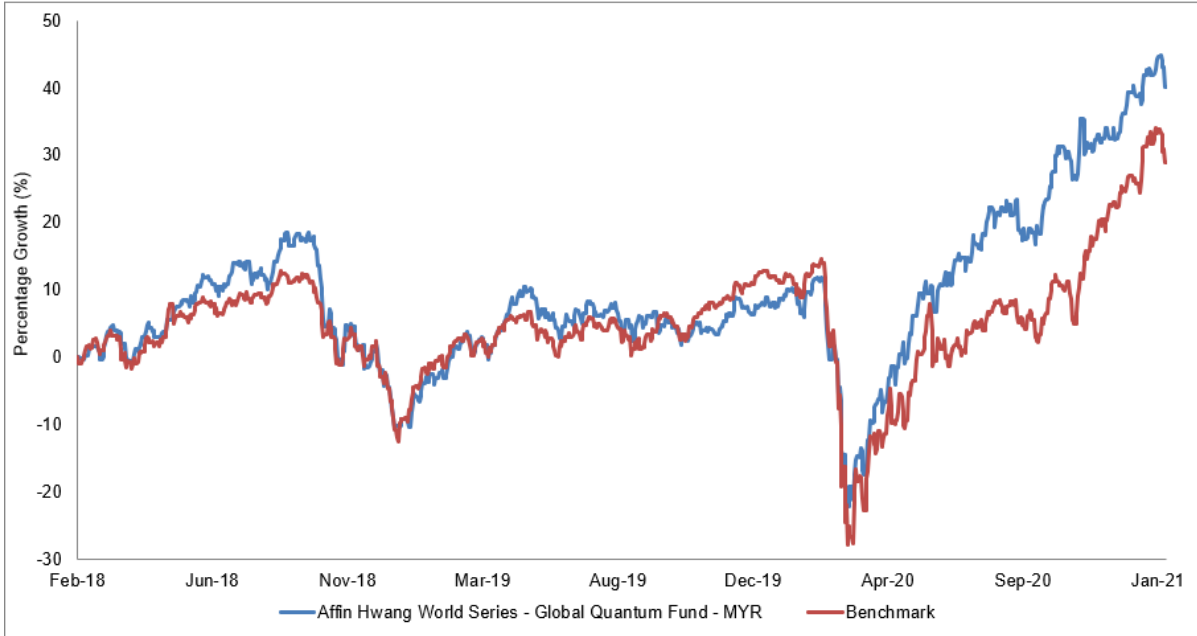
MYR Class

Table 1: Performance as at 31 January 2021

	3 Months (1/11/20 - 31/1/21)	6 Months (1/8/20 - 31/1/21)	1 Year (1/2/20 - 31/1/21)	Since Commencement (8/2/18 - 31/1/21)
Fund	10.49%	18.47%	31.63%	40.24%
Benchmark	22.71%	23.90%	18.46%	28.97%
Outperformance	(12.22%)	(5.43%)	13.17%	11.27%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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Benchmark: MSCI AC World Small Cap Index

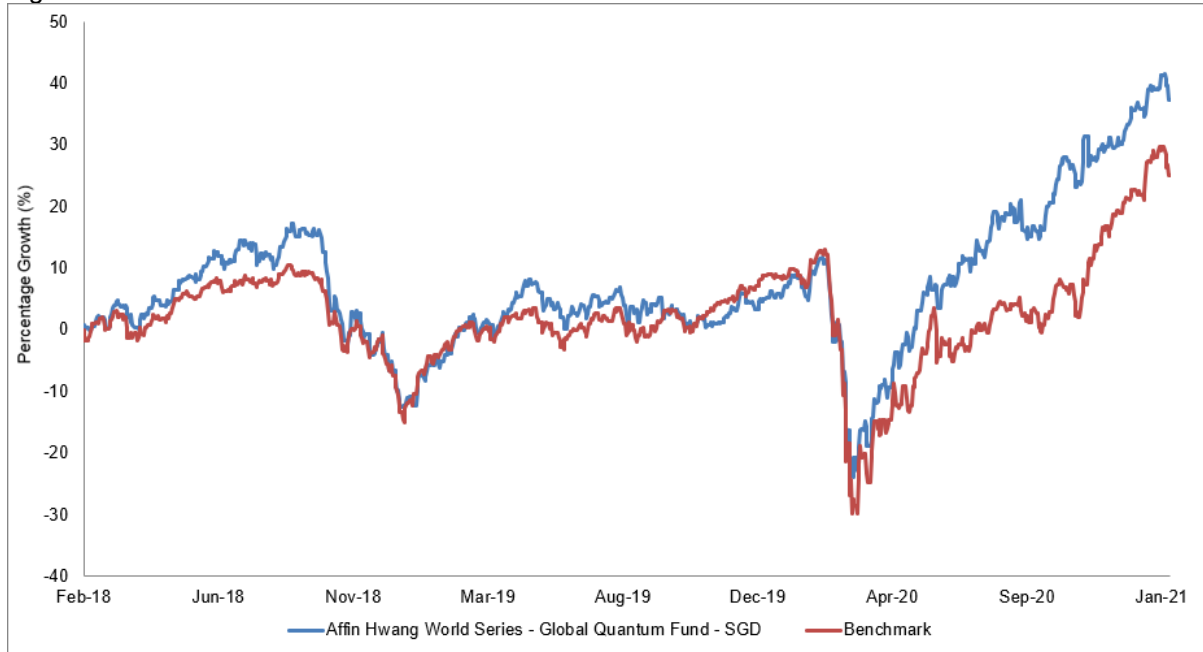
SGD Class

Table 1: Performance as at 31 January 2021

	3 Months (1/11/20 - 31/1/21)	6 Months (1/8/20 - 31/1/21)	1 Year (1/2/20 - 31/1/21)	Since Commencement (8/2/18 - 31/1/21)
Fund	10.62%	20.17%	30.07%	37.28%
Benchmark	22.69%	25.69%	16.97%	25.15%
Outperformance	(12.07%)	(5.52%)	13.10%	12.13%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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Benchmark: MSCI AC World Small Cap Index

MYR Hedged Class

Table 1: Performance as at 31 January 2021

	3 Months (1/11/20 - 31/1/21)	6 Months (1/8/20 - 31/1/21)	1 Year (1/2/20 - 31/1/21)	Since Commencement (19/4/18 - 31/1/21)
Fund	13.45%	24.46%	32.86%	31.08%
Benchmark	22.71%	23.90%	18.46%	25.11%
Outperformance	(9.26%)	0.56%	14.40%	5.97%

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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Benchmark: MSCI AC World Small Cap Index

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

Asset Allocation

Fund's asset mix during the period under review:

	31 January 2021
	(%)
Unit Trust	96.37
Derivatives	0.82
Cash & money market	2.81
Total	100.00

Strategies Employed

Over the period under review, the Target Fund Manager maintained their focus in investing in high-quality companies. Business that earn high returns on capital with the ability to reinvest cash flow to generate

sustainable growth and have a clear, defensible competitive advantage are more likely to continue generating value for shareholders.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. By the end of January however, we saw a divergence in equity performance as emerging markets ended the month higher compared to US markets which declined towards the end of the month.

At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. The market showed strong attention to the Biden administration's US\$ 1.9 trillion COVID-19 relief proposal in mid-January. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs. This led to market jitters resulting in the S&P 500 closing 0.63% lower. Asian markets fared better, as the MSCI Asia ex-Japan index was up 4.48% in the month, largely ignoring the US retail frenzy and focusing instead on the region's improving economic conditions and gradual recovery, stemming from better pandemic controls.

Tensions between China and the US remain icy as Biden settles into the White House to handle domestic affairs and China moved forward to impose sanctions on Mike Pompeo and 27 other former officials who worked for the Trump administration.

Commodities saw strong returns in the month, buoyed by vaccination programs and normalization of the economy. The commodity market saw four consecutive weeks of increased market inflow, particularly across crude oil, grain & oilseed and livestock markets. With rallying commodity prices, talks about a commodity super cycle in 2021 have surfaced, stemming from increased Chinese demand and supportive stimulus boosting inflation expectations.

Malaysia Budget 2021 was announced in November, with an allocated RM 322.5 billion expenditure, with 26.5% of it coming from borrowings and use of government assets. 5.3% of this budget has been devoted to the Covid-19 fund. The KLCI ended 2020 with a 2.4% gain, buoyed by the liquidity-driven rally that was seen throughout the year.

Following from 2020's political overhang, Malaysia's Yang di-Pertuan Agong issued a Proclamation of Emergency, resulting in the implementation of MCO 2.0 as daily Covid-19 cases rose to four digits. Restrictions on movement were less stringent than the initial MCO from 2020, though inconsistent communication surrounding the restrictions resulted in some public confusion.

The PN government unveiled its fifth economic stimulus package, PERMAI, worth RM 15 billion. Market impact was neutral following the announcement, as the package was viewed largely as a safety net aimed at cushioning the downside impact of MCO 2.0's implementation, especially to more vulnerable sectors.

Malaysia's latest Consumer Price Index (CPI) came in at -1.4%. Despite this, trade numbers have been gradually increasing as global trade picks up. December 2020 saw Malaysia's exports rise 10.8% y-o-y and imports rebounding for the first time in 9 months by 1.6% y-o-y.

The Malaysian bond market saw an unwinding of "rate cut" bets at the end of January following BNM's announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient. Market is of the expectation that central bank will cut rates in BNM's next meeting in March, but our in-house view views that the likelihood of a cut has decreased.

The primary market continues to see strong interest despite a strong supply outlook, with the auction of a 10-year MGS at a size of RM 4 billion that was 2.0x covered. Corporate issuances were slow in the month, up till the final week which saw Pengurusan Air SPB Berhad raise RM 8000 million across two Sukuk tranches of 7 and 15 years at 3.02% and 3.90% respectively. Both rated AAA. The corporate space is expected to pick up in the following months.

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return following the low death

rates despite the rise in infections. With most markets recovering the year's losses by December coincided with the release of Phase III clinical trial data for the vaccines, there is certainly light at the end of the tunnel for global markets.

Recovery plays will be the most obvious theme for the year improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. General market consensus suggests global GDP is down 5% in 2020, with an expected rebound of 5.4% in 2021 with the reopening of economies and growth returns.

January 2021's US employment report was less than stellar as nonfarm payrolls increased only by half of the market's initial consensus, which is worse when compared to the fact that it had already been revised down by 159,000 two months prior. The US labor market has some ways to go for recovery as Covid-19 cases continue to rise. Valuations in the American market are coming across as stretched as the S&P 500 surpasses far beyond its historical P/E average of 15x -17x. It would not be far fetched to assume that correction will take place very soon.

Earnings momentum will continue in 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Lack of communication between US and China will only prolong market instability. We expect dialogue to resume shortly but given Biden is taking a more assertive stance, markets will remain largely sensitive to any indication of deteriorating relations. Both countries will have to be pragmatic in their approach as cooler heads prevail.

Economic recovery continues to be delayed by Covid-19 as cases surge throughout the country/ From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Political risk has been delayed with the declaration of state of emergency until August 2021

Fund flows continue to pour in, following 2020's trend which began in the month of March. In the US. long-term mutual funds and exchange-traded funds picked up US\$95 billion in new assets. ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry.

AFFIN HWANG WORLD SERIES – GLOBAL QUANTUM FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2021

	Financial period ended <u>31.1.2021</u> USD	Financial period ended <u>31.1.2020</u> USD
INVESTMENT INCOME/(LOSS)		
Interest income from financial assets at amortised cost	714	1,155
Net gain on foreign currency exchange	25,208	14,260
Net gain on forward foreign currency contracts at fair value through profit or loss	281,443	75,900
Net gain/(loss) on financial assets at fair value through profit or loss	6,620,994	(442,841)
	<u>6,928,359</u>	<u>(351,526)</u>
EXPENSES		
Management fee	(215,899)	(343,340)
Trustee fee	(4,828)	(7,688)
Fund accounting fee	(7,926)	-
Auditors' remuneration	(1,399)	(1,372)
Tax agent's fee	(370)	(640)
Other expenses	(5,956)	(5,201)
	<u>(236,378)</u>	<u>(358,241)</u>
NET PROFIT/(LOSS) BEFORE TAXATION	6,691,981	(709,767)
Taxation	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER	<u>6,691,981</u>	<u>(709,767)</u>
Increase/(decrease) of net asset attributable to unitholders is made up of the following:		
Realised amount	1,091,224	(339,051)
Unrealised amount	5,600,757	(370,716)
	<u>6,691,981</u>	<u>(709,767)</u>

AFFIN HWANG WORLD SERIES – GLOBAL QUANTUM FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2021

	<u>2021</u> USD	<u>2020</u> USD
ASSETS		
Cash and cash equivalents	180,002	621,227
Amount due from Manager		
- creation of units	725,624	-
- management fee rebate receivable	16,689	17,168
Financial assets at fair value through profit or loss	22,881,672	20,696,618
Forward foreign currency contracts at fair value through profit or loss	194,933	120,987
TOTAL ASSETS	<u>23,998,920</u>	<u>21,456,000</u>
LIABILITIES		
Amount due to Manager		
- management fee	34,914	35,310
- cancellation of units	217,208	63,142
Amount due to Trustee	776	785
Auditors' remuneration	1,399	1,372
Tax agent's fee	612	1,729
Other payables	1,080	1,108
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>255,989</u>	<u>103,446</u>
NET ASSET VALUE OF THE FUND	<u>23,742,931</u>	<u>21,352,554</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>23,742,931</u>	<u>21,352,554</u>

AFFIN HWANG WORLD SERIES – GLOBAL QUANTUM FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2021 (CONTINUED)

	<u>2021</u> USD	<u>2020</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Class	265,015	303,117
- GBP Class	176,813	319,452
- MYR Class	4,245,469	5,894,636
- MYR-Hedged Class	10,469,124	6,527,499
- SGD Class	1,304,899	2,115,682
- USD Class	7,281,611	6,192,168
	<u>23,742,931</u>	<u>21,352,554</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Class	486,000	742,000
- GBP Class	187,000	451,000
- MYR Class	24,456,000	45,329,000
- MYR-Hedged Class	64,515,000	54,211,000
- SGD Class	2,527,000	5,469,000
- USD Class	10,752,000	12,205,000
	<u>102,923,000</u>	<u>118,407,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Class	0.5453	0.4085
- GBP Class	0.9455	0.7083
- MYR Class	0.1736	0.1300
- MYR-Hedged Class	0.1623	0.1204
- SGD Class	0.5164	0.3868
- USD Class	0.6772	0.5073
	<u>0.6772</u>	<u>0.5073</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Class	AUD0.7118	AUD0.6106
- GBP Class	GBP0.6903	GBP0.5396
- MYR Class	RM0.7012	RM0.5327
- MYR-Hedged Class	RM0.6554	RM0.4933
- SGD Class	SGD0.6864	SGD0.5277
- USD Class	USD0.6772	USD0.5073
	<u>USD0.6772</u>	<u>USD0.5073</u>

AFFIN HWANG WORLD SERIES – GLOBAL QUANTUM FUND

STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2021

	Financial period ended <u>31.1.2020</u> USD	Financial period ended <u>31.1.2020</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	15,070,751	32,532,126
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	13,350,133	3,972,352
- AUD Class	190,102	4,776
- GBP Class	127,320	64,057
- MYR Class	1,515,702	888,209
- MYR-Hedged Class	9,283,578	1,465,303
- SGD Class	499,227	92,454
- USD Class	1,734,204	1,457,553
Cancellation of units	(11,369,934)	(14,442,157)
- AUD Class	(90,005)	(790,300)
- GBP Class	(321,721)	(46,967)
- MYR Class	(2,928,132)	(5,011,914)
- MYR-Hedged Class	(5,303,903)	(6,174,481)
- SGD Class	(378,988)	(1,045,908)
- USD Class	(2,347,185)	(1,372,587)
Net increase/(decrease) in net assets attributable to unitholders during the financial period	6,691,981	(709,767)
- AUD Class	49,409	(13,406)
- GBP Class	88,954	(7,139)
- MYR Class	1,647,607	(258,520)
- MYR-Hedged Class	2,195,444	(250,662)
- SGD Class	362,963	(63,346)
- USD Class	2,347,604	(116,694)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>23,742,931</u>	<u>21,352,554</u>

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