

Affin Hwang World Series - European Unconstrained Fund

Annual Report
31 March 2020

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG WORLD SERIES – EUROPEAN UNCONSTRAINED FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 March 2020

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FUND INFORMATION

Fund Name	Affin Hwang World Series – European Unconstrained Fund
Fund Type	Growth
Fund Category	Equity feeder (wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long-term period through investments in European equities
Benchmark	MSCI Europe Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever appropriate.

BREAKDOWN OF UNITHOLDERS BY EUR CLASS SIZE AS AT 31 MARCH 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	1	12
50,001 to 500,000	1	54
500,001 and above	1	706
Total	3	772

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD HEDGED-CLASS SIZE AS AT 31 MARCH 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	1	385
500,001 and above	-	-
Total	1	385

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD HEDGED-CLASS SIZE AS AT 31 MARCH 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	3	322
500,001 and above	1	1,477
Total	4	1,799

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY MYR HEDGED-CLASS SIZE AS AT 31 MARCH 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	1
5,001 to 10,000	0	0
10,001 to 50,000	3	102
50,001 to 500,000	3	242
500,001 and above	4	12,938
Total	11	13,283

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SGD HEDGED-CLASS SIZE AS AT 31 MARCH 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	1	29
50,001 to 500,000	2	467
500,001 and above	-	-
Total	3	496

** Note : Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 Mar 2020 (%)					As at 31 Mar 2019 (%)					As at 31 Mar 2018 (%)				
Portfolio composition															
Collective investment scheme	93.83					96.70					96.62				
Cash and cash equivalent	6.17					3.30					3.38				
Total	100.00					100.00					100.00				
Currency class	EUR Class	USD Hedged -class	AUD Hedged -class	MYR Hedged -class	SGD Hedged -class	EUR Class	USD Hedged -class	AUD Hedged -class	MYR Hedged -class	SGD Hedged -class	EUR Class	USD Hedged -class	AUD Hedged -class	MYR Hedged -class	SGD Hedged -class
Total NAV (million)	0.352	0.212	0.896	7.028	0.254	0.584	0.118	1.422	14.257	0.859	0.436	0.455	1.833	31.421	1.410
NAV per Unit (in respective currencies)	0.4524	0.5468	0.4971	0.5289	0.5096	0.4798	0.5587	0.5300	0.5463	0.5322	0.4252	0.4863	0.4595	0.4702	0.4644
Unit in Circulation (million)	0.777	0.387	1.802	13.287	0.499	1.217	0.211	2.683	26.096	1.614	1.025	0.935	3.989	66.825	3.037
Highest NAV	0.5719	0.6864	0.6370	0.6672	0.6441	0.4891	0.5625	0.5337	0.5497	0.5374	0.4604	0.5237	0.4954	0.5033	0.5004
Lowest NAV	0.3817	0.4589	0.4195	0.4444	0.4296	0.4200	0.4842	0.4575	0.4658	0.4623	0.4119	0.4709	0.4447	0.4483	0.4491
Return of the Fund (%) ⁱⁱⁱ	-5.71	-2.13	-6.21	-3.19	-4.25	12.84	14.89	15.34	16.18	14.60	-2.86	-1.92	-1.39	0.17	-1.55
- Capital Growth (%) ⁱ	-5.71	-2.13	-6.21	-3.19	-4.25	12.84	14.89	15.34	16.18	14.60	-2.86	-1.92	-1.39	0.17	-1.55
- Income Distribution (%) ⁱⁱ	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management Expense Ratio (%) ¹			2.15					2.05					2.08		
Portfolio Turnover Ratio (times) ²			0.41					0.38					0.41		

¹The higher MER of the Fund during the financial year was due to lower average NAV of the Fund.

²The Fund's PTR was higher than previous year due to lower average NAV of the Fund for the financial year.

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	= NAV per Unit end / NAV per Unit begin – 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) – 1

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 31 March 2020.

MANAGER'S REPORT**Performance Review****AUD Hedged Class**

For the period 1 April 2019 to 31 March 2020, the Fund registered a return of -6.21%. It underperformed the Benchmark return of -4.53% by 1.68 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 March 2020 was AUD 0.4971 while the NAV per unit on 31 March 2019 was AUD0.5300. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 March 2020, the Fund registered a return of -0.58%. Compared to the Benchmark return of 1.42% for the same period, the Fund underperformed the Benchmark by 2.00 percentage points. As the objective of the fund is to seek consistent capital appreciation over the medium to long term horizon, we believe the Fund has met its objective for the period.

EUR Class

For the period 1 April 2019 to 31 March 2020, the Fund registered a return of -5.71%. It outperformed the Benchmark return of -16.05% by 10.34 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 March 2020 was EUR 0.4524 while the NAV per unit on 31 March 2019 was EUR0.4798. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 March 2020, the Fund registered a return of -9.52%. Compared to the Benchmark return of -17.26% for the same period, the Fund outperformed the Benchmark by 7.74 percentage points. As the objective of the fund is to seek consistent capital appreciation over the medium to long term horizon, we believe the Fund has met its objective for the period.

MYR Hedged Class

For the period 1 April 2019 to 31 March 2020, the Fund registered a return of -3.19%. It outperformed the Benchmark return of -13.21% by 10.02 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 March 2020 was RM 0.5289 while the NAV per unit on 31 March 2019 was RM0.5463. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 March 2020, the Fund registered a return of 5.78%. Compared to the Benchmark return of -12.52% for the same period, the Fund outperformed the Benchmark by 18.30 percentage points. As the objective of the fund is to seek consistent capital appreciation over the medium to long term horizon, we believe the Fund has met its objective for the period.

SGD Hedged Class

For the period 1 April 2019 to 31 March 2020, the Fund registered a return of -4.25%. It performed in line with the Benchmark return of -13.75%. The Net Asset Value (NAV) per unit of the Fund on 31 March 2020 was SGD 0.5096 while the NAV per unit on 31 March 2019 was SGD 0.5322. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 March 2020, the Fund registered a return of 1.92%. Compared to the Benchmark return of -13.47% for the same period, the Fund outperformed the Benchmark by 15.39 percentage points.

USD Hedged Class

For the period 1 April 2019 to 31 March 2020, the Fund registered a return of -2.13%. It outperformed the Benchmark return of -17.92% by 15.79 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 March 2020 was USD 0.5468 while the NAV per unit on 31 March 2019 was USD 0.5587. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 March 2020, the Fund registered a return of 9.36%. Compared to the Benchmark return of -4.14% for the same period, the Fund outperformed the Benchmark by 13.50 percentage points.

AUD Hedged Class

Table 1: Performance of the Fund

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(6.21%)	6.67%	(0.58%)
Benchmark	(4.53%)	7.03%	1.42%
Outperformance / (Underperformance)	(1.68%)	(0.36%)	(2.00%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(6.21%)	2.17%	(0.13%)
Benchmark	(4.53%)	2.29%	0.32%
Outperformance / (Underperformance)	(1.68%)	(0.12%)	(0.45%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/4/19 - 31/3/20)	FYE 2019 (01/4/18 - 31/3/19)	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (01/4/16 - 31/3/17)	FYE 2016 (27/11/15 - 31/3/16)
Fund	(6.21%)	15.34%	(1.39%)	0.80%	(7.54%)
Benchmark	(4.53%)	0.86%	11.15%	7.01%	(11.45%)
Outperformance / (Underperformance)	(1.68%)	14.48%	(12.54%)	(6.21%)	3.91%

Source of Benchmark: Bloomberg

EUR Class

Table 1: Performance of the Fund

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(5.71%)	3.36%	(9.52%)
Benchmark	(16.05%)	(16.71%)	(17.26%)
Outperformance	10.34%	20.07%	7.74%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(5.71%)	1.11%	(2.27%)
Benchmark	(16.05%)	(5.91%)	(4.26%)
Outperformance / (Underperformance)	10.34%	7.02%	1.99%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/4/19 - 31/3/20)	FYE 2019 (01/4/18 - 31/3/19)	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (27/11/15 - 31/3/17)
Fund	(5.71%)	12.84%	(2.86%)	(12.46%)
Benchmark	(16.05%)	2.32%	(3.04%)	(0.65%)
Outperformance / (Underperformance)	10.34%	10.52%	0.18%	(11.81%)

Source of Benchmark: Bloomberg

MYR Hedged Class

Table 1: Performance of the Fund

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(3.19%)	12.68%	5.78%
Benchmark	(13.21%)	(16.71%)	(12.52%)
Outperformance	10.02%	29.39%	18.30%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(3.19%)	4.05%	1.30%
Benchmark	(13.21%)	(5.91%)	(3.03%)
Outperformance	10.02%	9.96%	4.33%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/4/19 - 31/3/20)	FYE 2019 (01/4/18 - 31/3/19)	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (27/11/15 - 31/3/17)
Fund	(3.19%)	16.18%	0.17%	(6.12%)
Benchmark	(13.21%)	(1.55%)	(2.52%)	5.02%
Outperformance / (Underperformance)	10.02%	17.73%	2.69%	(11.14%)

Source of Benchmark: Bloomberg

SGD Hedged Class

Table 1: Performance of the Fund

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(4.25%)	8.03%	1.92%
Benchmark	(13.75%)	(12.91%)	(13.47%)
Outperformance / (Underperformance)	9.50%	20.94%	15.39%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (27/11/15 - 31/3/20)
Fund	(4.25%)	2.61%	0.44%
Benchmark	(13.75%)	(4.50%)	(3.27%)
Outperformance / (Underperformance)	9.50%	7.11%	3.71%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/4/19 - 31/3/20)	FYE 2019 (01/4/18 - 31/3/19)	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (27/11/15 - 31/3/17)
Fund	(4.25%)	14.60%	(1.55%)	(5.66%)
Benchmark	(13.75%)	(3.69%)	4.85%	(0.65%)
Outperformance / (Underperformance)	9.50%	18.29%	(6.40%)	(5.01%)

Source of Benchmark: Bloomberg

USD Hedged Class

Table 1: Performance of the Fund

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (3/2/16 - 31/3/20)
Fund	(2.13%)	10.29%	9.36%
Benchmark	(17.92%)	(14.58%)	(4.14%)
Outperformance	15.79%	24.87%	13.50%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/19 - 31/3/20)	3 Years (1/4/17 - 31/3/20)	Since Commencement (3/2/16 - 31/3/20)
Fund	(2.13%)	3.31%	2.17%
Benchmark	(17.92%)	(5.11%)	(1.01%)
Outperformance	15.79%	8.42%	3.18%

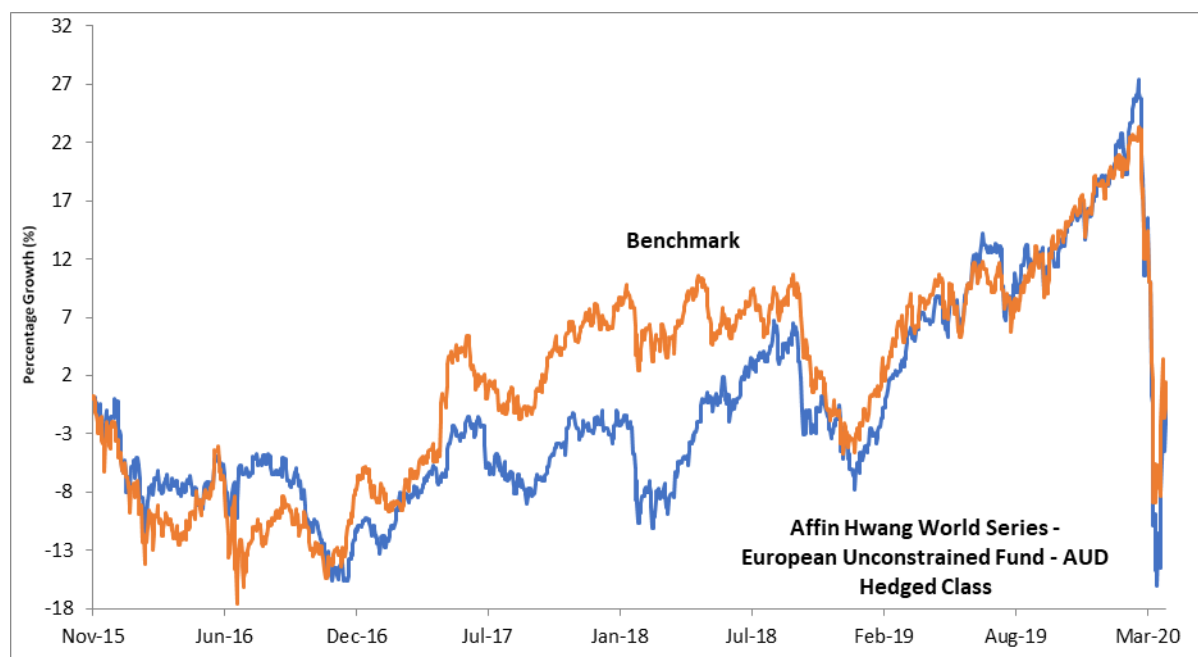
Source of Benchmark: Bloomberg

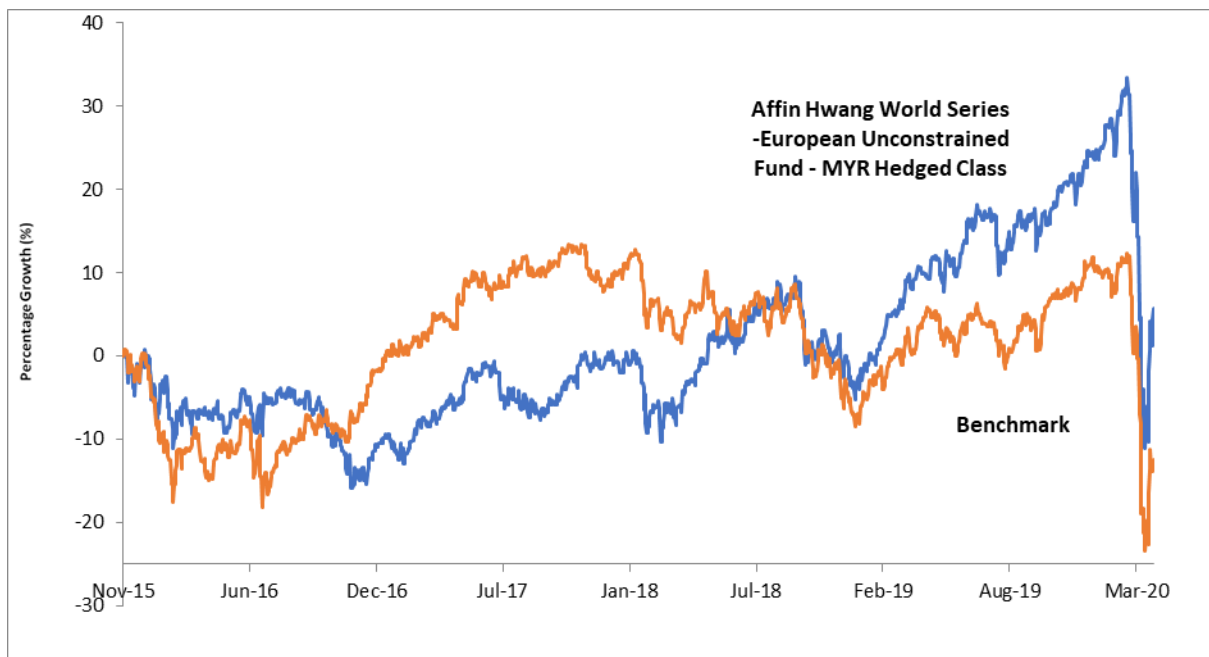
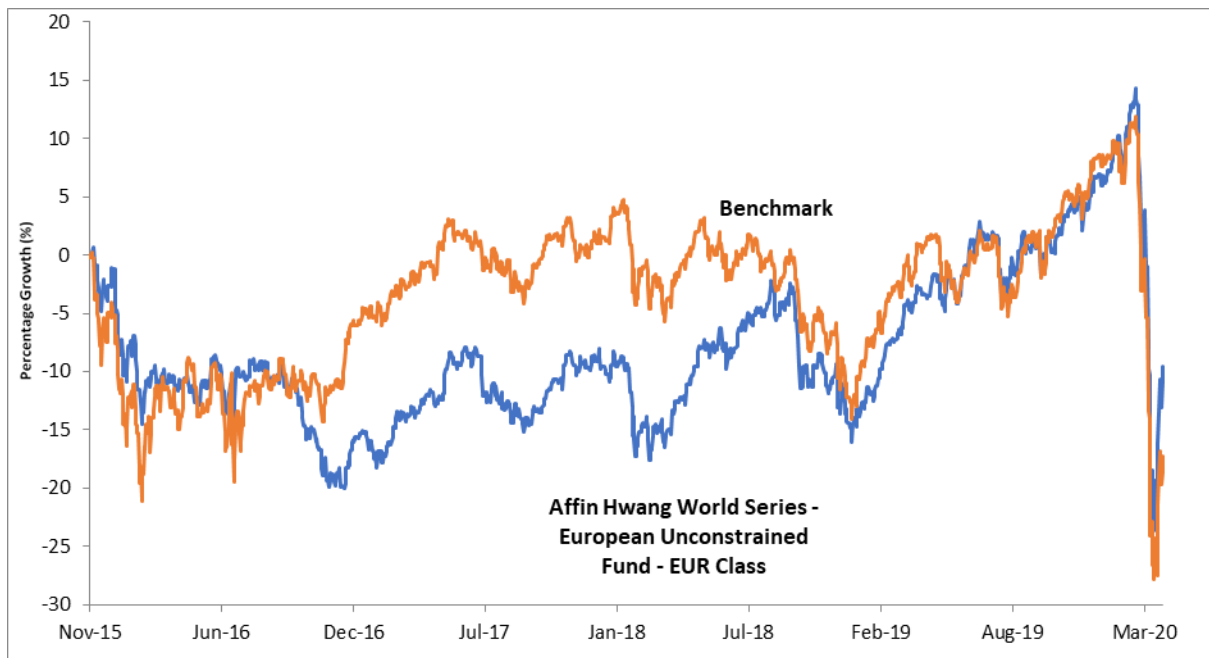
Table 3: Annual Total Return

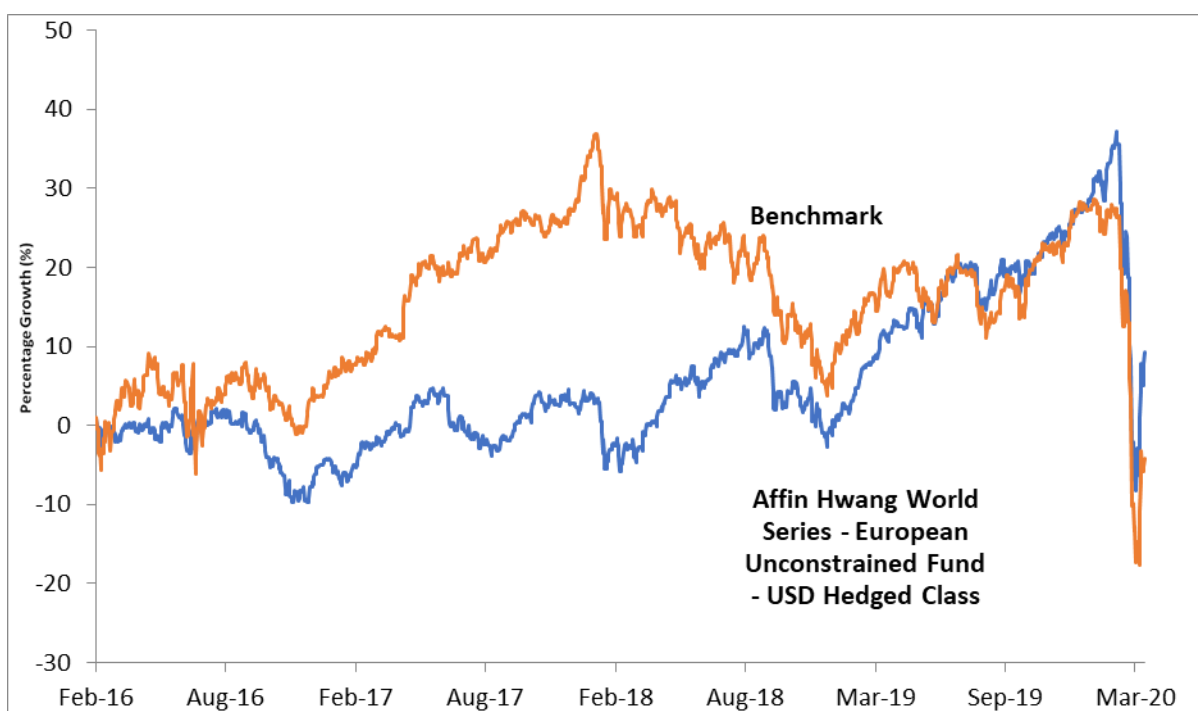
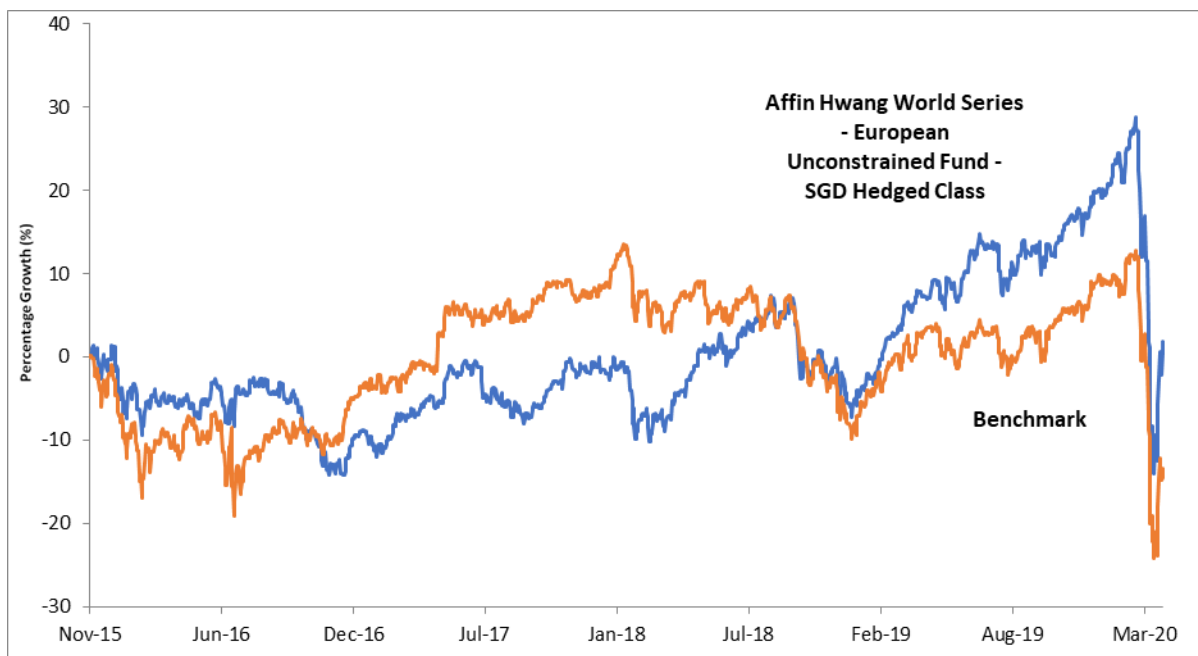
	FYE 2020 (01/4/19 - 31/3/20)	FYE 2019 (01/4/18 - 31/3/19)	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (03/2/16 - 31/3/17)
Fund	(2.13%)	14.89%	(1.92%)	(0.84%)
Benchmark	(17.92%)	(6.87%)	11.73%	12.22%
Outperformance / (Underperformance)	15.79%	21.76%	(13.65%)	(13.06%)

Source of Benchmark: Bloomberg

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







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

Benchmark: MSCI Europe 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

For a snapshot of the Fund's asset mix during the period under review, please refer to Fund Performance Data.

As at 31 March 2020, the asset allocation of the Fund's exposure to the collective investment scheme stood at 93.83% of the Fund's NAV, while the balance was held in cash.

Strategies Employed

Our portfolios are constructed from the bottom-up utilising a differentiated "3-circle approach" based on fundamental, quantitative and qualitative sources of information that have proven their value since inception of the team in 2004. The combination of these mutually independent and uncorrelated information sources provides us with a complete picture of the anomalies and opportunities in the market, allowing us to make balanced investment decisions that limit the potential downside risk of the portfolio. The portfolio manager selects a stock and its weighting in the portfolio according to the attractiveness of the stock. In doing so, he utilises the investment philosophy of three mutually exclusive information sources – the three circle approach - to gain levels of conviction and a good understanding of the potential downside (and upside) of any stock. The weighting of a stock in the portfolio tends to be relatively benchmark-agnostic.

We buy stocks that look attractive on the "three circle" approach and short stocks that are unattractive. The ability to short stocks increases our opportunity to underweight the security beyond its benchmark weight. Alpha is obtained through the shorts from both the underperformance relative to the benchmark and the ability to overweight attractive long names more, potentially generating more alpha on the long portfolio.

Market Review

Jan 2020-Mar 2020

The coronavirus outbreak dominated headlines in Q1 2020 not only because of its impact on financial markets but also due to its social implications, with restrictions on travel, closures of schools and shops and the strain on healthcare systems. We saw disruptions to supply chains and a cut back in consumer spending, especially on travel, entertainment and dining. The outlook for Europe turned bearish as companies warned over the damage to their operations while analysts revised down their GDP growth estimates. Central banks and governments reacted by providing measures to support the economy. The aggressive policy moves resulted in the market rebounding slightly from the lows in late March but questions remained over how sustainable it would be. In bonds, yields moved lower and Eurozone sovereign spreads tightened. The energy sector was particularly hit by the oil price volatility on the back of the ongoing Russia/Saudi Arabia price war and demand destruction from coronavirus containment measures.

October 2019-December 2019

The start of the fourth quarter was rather mixed, as positive developments on Brexit and US-China trade talks were met with a cautious tone throughout the quarterly corporate earnings season. However, the year ended on a relatively high note, which saw a phase-one trade deal agreed between the US and China, providing markets with some relief. The UK Conservative Party's win further fuelled the risk rally, seemingly reducing the likelihood of near-term uncertainty surrounding UK's departure from the EU. There also appeared to be a slight shift in sentiment toward European stocks. During the quarter, industrials, IT and real estate were the top performing sectors in the index, while communication services and consumer staples posted losses.

July 2019-September 2019

Q3 2019 kicked off on a relatively muted note with a rather uneventful July. We started to see larger swings in the market in August, during which the VIX spiked to near year-to-date highs seen at the start of the year. The sharp sell-off was triggered by the increasing likelihood of a no-deal Brexit and, more globally, fears that trade tensions between the US and China would escalate into a currency war. Soft Eurozone macro data and slowing global growth gave rise to further central bank easing expectations. The ECB did not disappoint and later in the quarter delivered a stimulus package and reduced rates. We saw some risk appetite return in September with strong rotation within the equity market and markets recovered its prior losses, consolidating overall positive gains for the quarter.

Mar 2019-June 2019

The second quarter presented a volatile backdrop that saw large moves in European equity markets. In April, concerns over global growth eased slightly on the back of improving US-China trade headlines. However, these gains were reversed in May after the US banned its companies from doing business with China's Huawei, which especially weighed on companies in the tech sector. In the midst of the ongoing Brexit saga, UK Prime Minister Theresa May resigned from her position as leader of the Conservative Party. In June, markets were buoyed by the possibility of further easing by the ECB. Despite lingering concerns over geopolitical risks and a slowing global growth, markets consolidated positive gains for the quarter.

Investment Outlook

The past few weeks have given markets the opportunity to better understand the situation around COVID-19 and its potential effects. However, questions around timing remain – how lasting will the effects of the virus be and how soon will a recovery take place? These are difficult questions to answer not least because this crisis is unlike any before. While there are no systemic shocks or failure of financial systems as seen during the Global Financial Crisis, the lockdown measures implemented globally are unprecedented and have a direct impact on economic growth.

With the aim of stabilising economies and boosting liquidity, central banks and governments around the world have been providing unprecedented levels of supportive measures much earlier than the efforts seen in late-2008. Fiscal stimulus as a percentage of GDP already exceeds that of the Global Financial Crisis. We think that these measures will help to limit credit losses to moderate levels and provide a strong boost to demand. We expect earnings to fall in the near term and that markets will continue to be volatile. Coming out of this crisis, we also expect to see permanent shifts in consumer preferences. Equity markets will see a recovery as things normalize. This could in turn lead to pent-up demand in the second half of 2020.

As stock pickers, our focus remains on stocks that offer good risk versus reward. We have taken the opportunity to add value for our clients in light of the market volatility and will continue to do so. Most importantly, when equity markets bounce back we are well positioned to participate in the upside. We remain solidly anchored in our 3-circle approach of stock selection (fundamental, quantitative and qualitative), which remains the core driver of performance.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

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

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – EUROPEAN UNCONSTRAINED FUND

We have acted as Trustee for Affin Hwang World Series – European Unconstrained Fund (the “Fund”) for the financial year ended 31 March 2020. To the best of our knowledge, for the financial period under review, Affin Hwang Asset Management Berhad (“the Manager”), has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund has been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund have been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
18 May 2020

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> EUR	<u>2019</u> EUR
INVESTMENT (LOSS)/INCOME			
Interest income from financial assets at amortised cost		147	326
Net gain on foreign currency exchange		1,282	6,642
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(67,375)	396,110
Net (loss)/gain on financial assets at fair value through profit or loss	7	(31,668)	1,163,159
		<u>(97,614)</u>	<u>1,566,237</u>
EXPENSES			
Management fee	4	(66,062)	(123,085)
Trustee fee	5	(2,231)	(4,195)
Auditors' remuneration		(1,746)	(1,576)
Tax agent's fee		(762)	(734)
Other expenses		(8,190)	(11,276)
		<u>(78,991)</u>	<u>(140,866)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(176,605)	1,425,371
Taxation	6	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(176,605)</u>	<u>1,425,371</u>
(Decrease)/Increase in net assets attributable to unitholders comprise the following:			
Realised amount		229,178	489,087
Unrealised amount		(405,783)	936,284
		<u>(176,605)</u>	<u>1,425,371</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 - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	<u>Note</u>	<u>2020</u> EUR	<u>2019</u> EUR
ASSETS			
Cash and cash equivalents		216,952	225,371
Financial assets at fair value through profit or loss	7	2,527,205	5,087,447
Amount due from brokers		-	100,775
Amount due from Manager			
- creation of units		7,351	-
- management fee rebate receivable		3,506	7,229
Forward foreign currency contracts at fair value through profit or loss	8	6,511	52,820
TOTAL ASSETS		<u>2,761,525</u>	<u>5,473,642</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	8	55,896	234
Amount due to brokers		-	100,000
Amount due to Manager			
- management fee		3,988	8,325
- cancellation of units		-	96,253
Amount due to Trustee		133	277
Auditors' remuneration		3,736	3,514
Tax agent's fee		2,458	2,454
Other payable and accruals		1,977	1,650
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>68,188</u>	<u>212,707</u>
NET ASSET VALUE OF THE FUND		<u>2,693,337</u>	<u>5,260,935</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>2,693,337</u>	<u>5,260,935</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020 (CONTINUED)

	<u>Note</u>	<u>2020</u> EUR	<u>2019</u> EUR
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		501,257	897,459
- EUR class		351,540	583,940
- MYR Hedged-class		1,485,050	3,110,189
- SGD Hedged-class		162,448	564,391
- USD Hedged-class		193,042	104,956
		<u>2,693,337</u>	<u>5,260,935</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	9 (a)	1,802,000	2,683,000
- EUR class	9 (b)	777,000	1,217,000
- MYR Hedged-class	9 (c)	13,287,000	26,096,000
- SGD Hedged-class	9 (d)	499,000	1,614,000
- USD Hedged-class	9 (e)	387,000	211,000
		<u>16,752,000</u>	<u>31,821,000</u>
NET ASSET VALUE PER UNIT			
- AUD Hedged-class		0.2782	0.3345
- EUR class		0.4524	0.4798
- MYR Hedged-class		0.1118	0.1192
- SGD Hedged-class		0.3255	0.3497
- USD Hedged-class		0.4988	0.4974
		<u>0.2782</u>	<u>0.3345</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.4971	AUD0.5300
- EUR class		EUR0.4524	EUR0.4798
- MYR Hedged-class		RM0.5289	RM0.5463
- SGD Hedged-class		SGD0.5096	SGD0.5322
- USD Hedged-class		USD0.5468	USD0.5587
		<u>USD0.5468</u>	<u>USD0.5587</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 - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	<u>2020</u> EUR	<u>2019</u> EUR
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	5,260,935	9,425,744
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	658,400	796,961
- AUD Hedged-class	328,857	262,138
- EUR class	88,511	205,413
- MYR Hedged-class	99,163	329,410
- SGD Hedged-class	10,915	-
- USD Hedged-class	130,954	-
Cancellation of units	(3,049,393)	(6,387,141)
- AUD Hedged-class	(623,621)	(674,646)
- EUR class	(301,620)	(114,038)
- MYR Hedged-class	(1,674,905)	(4,796,753)
- SGD Hedged-class	(420,353)	(464,285)
- USD Hedged-class	(28,894)	(337,419)
(Decrease)/Increase of net asset attributable to unitholders during the financial year	(176,605)	1,425,371
- AUD Hedged-class	(101,438)	164,793
- EUR class	(19,291)	56,693
- MYR Hedged-class	(49,397)	975,609
- SGD Hedged-class	7,495	154,868
- USD Hedged-class	(13,974)	73,408
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>2,693,337</u>	<u>5,260,935</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 - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	<u>2020</u> EUR	<u>2019</u> EUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investment	2,970,708	5,255,714
Purchase of investments	(500,000)	(82,000)
Interest received	147	326
Rebate of management fee received	62,364	115,925
Management fee paid	(70,399)	(129,465)
Trustee fee paid	(2,375)	(4,408)
Realised gain on forward foreign currency contract	34,596	429,950
Payment for other fees and expenses	(10,145)	(13,964)
Net realised gain on foreign currency exchange	1,076	6,366
	<hr/>	<hr/>
Net cash generated from operating activities	2,485,972	5,578,444
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	651,049	832,571
Payments for cancellation of units	(3,145,646)	(6,456,049)
	<hr/>	<hr/>
Net cash used in financing activities	(2,494,597)	(5,623,478)
	<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,625)	(45,034)
EFFECTS OF FOREIGN CURRENCY EXCHANGE	206	276
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	<hr/>	<hr/>
	225,371	270,129
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<hr/>	<hr/>
	216,952	225,371

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 - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. 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 L.

(a) Standards and amendments to existing standards effective 1 April 2019:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2019 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 April 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

B INCOME RECOGNITION

Interest income

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

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

Realised gains and losses on sale of investments

For collective investment scheme ("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 the investments, determined on a weighted average cost basis.

C 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.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

D 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 Euro ("EUR"), which is the Fund's functional and presentation currency.

E FOREIGN CURRENCY TRANSLATIONS

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

F 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 securities as fair value through other comprehensive income. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, 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 de-recognised 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 de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

Investment in collective investment scheme is valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

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

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

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.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Write-off

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

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

G 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H 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 brokers balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

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

I CREATION AND CANCELLATION OF UNITS

The unitholders' capital to the Fund meets the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in five classes of units, known respectively as the AUD Hedged - class, MYR Hedged - class, EUR class, SGD Hedged - class and USD Hedged - class, which are cancelled at the unitholder's option and do not have identical features subject to restrictions as stipulated in the Information Memorandum and Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unitholder exercises the right to put back the unit to the Fund.

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

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

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 negative fair value are presented in liabilities at fair value through profit or loss.

The fair value of forward foreign currency contracts are 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 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 SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

L 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 EUR primarily due to the following factors:

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

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang European Unconstrained Fund (the "Fund") pursuant to the execution of a Deed dated 21 October 2015, Supplemental Deed dated 18 January 2016 and Second Supplemental Deed dated 3 August 2016 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee"). The Fund has changed its name from Affin Hwang European Unconstrained Fund to Affin Hwang World Series - European Unconstrained Fund as amended by Second Supplemental Deed dated 3 August 2016.

The Fund commenced operations on 30 November 2015 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in the following assets, subject to the Deed, the Fund's objective, the Guidelines, the requirements of the Securities Commission ("SC") and all relevant laws:

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

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

The main objective of the Fund is to achieve capital appreciation over medium to long term period through investment in European countries.

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.

The financial statements were authorised for issue by the Manager on 18 May 2020.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	At amortised cost EUR	At fair value through profit or loss EUR	Total EUR
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents		216,952	-	216,952
Collective investment scheme	7	-	2,527,205	2,527,205
Amount due from Manager				
- creation of units		7,351	-	7,351
- management fee rebate receivable		3,506	-	3,506
Forward foreign currency contract at fair value through profit or loss	8	-	6,511	6,511
Total		<u>227,809</u>	<u>2,533,716</u>	<u>2,761,525</u>
<u>Financial liabilities</u>				
Forward foreign currency contract at fair value through profit or loss	8	-	55,896	55,896
Amount due to Manager				
- management fee		3,988	-	3,988
Amount due to Trustee		133	-	133
Auditors' remuneration		3,736	-	3,736
Tax agent's fee		2,458	-	2,458
Other payables and accruals		1,977	-	1,977
Total		<u>12,292</u>	<u>55,896</u>	<u>68,188</u>
<u>2019</u>				
<u>Financial assets</u>				
Cash and cash equivalents		225,371	-	225,371
Collective investment scheme	7	-	5,087,447	5,087,447
Amount due from Manager				
- management fee rebate receivable		7,229	-	7,229
Forward foreign currency contract at fair value through profit or loss	8	-	52,820	52,820
Amount due from brokers		100,775	-	100,775
Total		<u>333,375</u>	<u>5,140,267</u>	<u>5,473,642</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Financial instruments are as follows (continued):

	Note	At amortised cost EUR	At fair value through profit or loss EUR	Total EUR
<u>2019</u>				
<u>Financial liabilities</u>				
Forward foreign currency contract at fair value through profit or loss	8	-	234	234
Amount due to broker		100,000	-	100,000
Amount due to Manager				
- management fee		8,325	-	8,325
- cancellation of units		96,253	-	96,253
Amount due to Trustee		277	-	277
Auditors' remuneration		3,514	-	3,514
Tax agent's fee		2,454	-	2,454
Other payables and accruals		1,650	-	1,650
Total		212,473	234	212,707

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	<u>2020</u> EUR	<u>2019</u> EUR
Quoted investment		
Collective investment scheme	2,527,205	5,087,447

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2019: 5%) and decreased by 10% (2019: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% change in price</u>	<u>Market value</u> EUR	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> EUR
<u>2020</u>		
-10%	2,274,485	(252,721)
0%	2,527,205	-
+10%	2,779,926	252,721
<u>2019</u>		
-5%	4,833,075	(254,372)
0%	5,087,447	-
+5%	5,341,819	254,372

(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 short term placement with a 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 deposit with licensed financial institutions is not material as the deposits are held on a short term basis.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against the Euro, 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 the Euro based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

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

	Forward foreign currency contracts EUR	Cash and cash equivalents EUR	Other assets* EUR	Total EUR
<u>2020</u>				
<u>Financial assets</u>				
Australian Dollar	1,426	3,376	5,212	10,014
Malaysian Ringgit	1,871	4,042	2,139	8,052
Singapore Dollar	196	2,560	-	2,756
United States Dollar	3,018	4,759	-	7,777
	<u>6,511</u>	<u>14,737</u>	<u>7,351</u>	<u>28,599</u>

*Other assets consist of amount due from Manager.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contracts EUR	Other liabilities** EUR	Net assets attributable to unitholders EUR	Total EUR
<u>2020</u>				
<u>Financial liabilities</u>				
Australian Dollar	39,462	-	501,257	540,719
Malaysian Ringgit	10,836	8,171	1,485,050	1,504,057
Singapore Dollar	5,453	-	162,448	167,901
United States Dollar	145	-	193,042	193,187
	<u>55,896</u>	<u>8,171</u>	<u>2,341,797</u>	<u>2,405,864</u>

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

	Forward foreign currency contracts EUR	Cash and cash equivalents EUR	Total EUR
<u>2019</u>			
<u>Financial assets</u>			
Australian Dollar	10,290	3,789	14,079
Malaysian Ringgit	32,998	19,026	52,024
Singapore Dollar	7,064	997	8,061
United States Dollar	2,468	16,658	19,126
	<u>52,820</u>	<u>40,470</u>	<u>93,290</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contracts EUR	Other liabilities** EUR	Net assets attributable to unitholders EUR	Total EUR
<u>2019</u>				
<u>Financial liabilities</u>				
Australian Dollar	234	-	897,459	897,693
Malaysian Ringgit	-	90,241	3,110,189	3,200,430
Singapore Dollar	-	13,630	564,391	578,021
United States Dollar	-	-	104,956	104,956
	<u>234</u>	<u>103,871</u>	<u>4,676,995</u>	<u>4,781,100</u>

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by each currency's respective historical volatility.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit after tax/NAV EUR
<u>2020</u>		
Australian Dollar	+/- 10.28	- /+ 54,556
Malaysian Ringgit	+/- 7.67	- /+ 114,744
Singapore Dollar	+/- 6.66	- /+ 10,999
United States Dollar	+/- 7.25	- / + 13,442
<u>2019</u>		
Australian Dollar	+/- 5	+/- 44,181
Malaysian Ringgit	+/- 5	+/- 157,420
Singapore Dollar	+/- 5	+/- 28,498
United States Dollar	+/- 5	+/- 4,292

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders, liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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 - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (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> EUR	Between <u>one month</u> <u>to one year</u> EUR	<u>Total</u> EUR
<u>2020</u>			
Amount due to Manager			
- management fees	3,988	-	3,988
Amount due to Trustee	133	-	133
Auditors' remuneration	-	3,736	3,736
Tax agent fee	-	2,458	2,458
Other payables and accruals	-	1,977	1,977
Forward foreign currency contracts at fair value through profit or loss	22,827	33,069	55,896
Net assets attributable to unitholders#	2,693,337	-	2,693,337
	<u>2,720,285</u>	<u>41,240</u>	<u>2,761,525</u>
<u>2019</u>			
Amount due to broker	100,000	-	100,000
Amount due to Manager			
- management fees	8,325	-	8,325
- cancellation of units	96,253	-	96,253
Amount due to Trustee	277	-	277
Auditors' remuneration	-	3,514	3,514
Tax agent fee	-	2,454	2,454
Other payables and accruals	-	1,650	1,650
Forward foreign currency contracts at fair value through profit or loss	-	234	234
Net assets attributable to unitholders#	5,260,935	-	5,260,935
	<u>5,465,790</u>	<u>7,852</u>	<u>5,473,642</u>

Units are cancelled on demand at the unitholder's option (Note I). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Credit risk

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

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

	Forward foreign currency contracts EUR	Cash and cash equivalents EUR	Other assets* EUR	Total EUR
<u>2020</u>				
Financials				
- AAA	1,426	-	-	1,426
- AA1	-	216,952	-	216,952
- AA2	3,700	-	-	3,700
- NR	1,385	-	-	1,385
Others				
- NR	-	-	10,857	10,857
	<u>6,511</u>	<u>216,952</u>	<u>10,857</u>	<u>234,320</u>
<u>2019</u>				
Financials				
- AAA	1,831	-	-	1,831
- AA3	14,063	-	-	14,063
- AA2	20,482	-	-	20,482
- AA1	-	225,371	-	225,371
- NR	16,444	-	108,004	124,448
	<u>52,820</u>	<u>225,371</u>	<u>108,004</u>	<u>386,195</u>

*Other assets consist of amount due from Manager and amount due to brokers.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date.

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

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

(i) Fair value hierarchy

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

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

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> EUR	<u>Level 2</u> EUR	<u>Level 3</u> EUR	<u>Total</u> EUR
<u>2020</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	2,527,205	-	-	2,527,205
- forward foreign currency contracts	-	6,511	-	6,511
	<u>2,527,205</u>	<u>6,511</u>	<u>-</u>	<u>2,533,716</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	55,896	-	55,896
	<u>-</u>	<u>55,896</u>	<u>-</u>	<u>55,896</u>
<u>2019</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	5,087,447	-	-	5,087,447
- forward foreign currency contracts	-	52,820	-	52,820
	<u>5,087,447</u>	<u>52,820</u>	<u>-</u>	<u>5,140,267</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	234	-	234
	<u>-</u>	<u>234</u>	<u>-</u>	<u>234</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (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 Manager, amount due from brokers 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 Deeds, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund.

For the financial year ended 31 March 2020, the management fee is recognised at a rate of 1.80% (2019: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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 Deeds, the Trustee is entitled to an annual fee at a rate of 0.10% per annum of the NAV or its equivalent in the base currency (excluding of foreign custodian fees and charges).

For the financial year ended 31 March 2020, the Trustee's fee is recognised at a rate of 0.06% (2019: 0.06%) per annum on the NAV of the Fund, exclusive of foreign custodian fee, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

6 TAXATION

	<u>2020</u> EUR	<u>2019</u> EUR
Current taxation	-	-

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

	<u>2020</u> EUR	<u>2019</u> EUR
Net (loss)/profit before taxation	(176,605)	1,425,371
Tax at Malaysian statutory rate of 24% (2019: 24%)	(42,385)	342,089
Tax effects of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	23,428	(349,469)
Expenses not deductible for tax purposes	2,579	3,686
Restriction on tax deductible expenses for Wholesale Funds	16,378	3,694
Tax expense	-	-

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> EUR	<u>2019</u> EUR
Financial assets at fair value through profit or loss:		
- collective investment scheme	<u>2,527,205</u>	<u>5,087,447</u>
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	213,709	83,190
- unrealised (loss)/gain on changes in fair value	(304,018)	969,848
- management fee rebate on collective investment scheme#	58,641	110,121
	<u>(31,668)</u>	<u>1,163,159</u>

In arriving at the fair value of the Fund's investment in a collective investment scheme, the management fee initially paid to the Manager of collective investment scheme has been considered as part of its net asset value. In order to minimise the impact of management fees charged by the third party fund manager, management fee charged on the Fund's investment in the collective scheme has been refunded to the Fund. Accordingly, any rebate of management received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

(a) Collective investment scheme

(i) Collective investment scheme as at 31 March 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost EUR</u>	<u>Fair value EUR</u>	<u>Percentage of NAV %</u>
UBS Lux Equity SICAV European Opportunity Unconstrained Fund	13,200	2,564,590	2,527,205	93.83
Total collective investment scheme	<u>13,200</u>	<u>2,564,590</u>	<u>2,527,205</u>	<u>93.83</u>
Accumulated unrealised loss on collective investment scheme		(37,385)		
Total collective investment scheme		<u>2,527,205</u>		

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

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

(a) Collective investment scheme (continued)

(ii) Collective investment scheme as at 31 March 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost EUR</u>	<u>Fair value EUR</u>	<u>Percentage of NAV %</u>
UBS Lux Equity SICAV European Opportunity Unconstrained Fund	25,242	4,820,814	5,087,447	96.70
Total collective investment scheme	25,242	4,820,814	5,087,447	96.70
Accumulated unrealised gain on collective investment scheme		266,633		
Total collective investment scheme		5,087,447		

8 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 19 (2019: 22) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to EUR2,344,722 (2019: EUR4,658,022). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in the foreign securities denominated in Australian Dollar, Malaysian Ringgit, Singapore Dollar and United States 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.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged - class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	2,683,000	3,989,000
Creation of units arising from applications during the financial year	907,000	817,000
Cancellation of units during the financial year	(1,788,000)	(2,123,000)
At the end of the financial year	<u>1,802,000</u>	<u>2,683,000</u>

(b) EUR class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	1,217,000	1,025,000
Creation of units arising from applications during the financial year	167,000	444,000
Cancellation of units during the financial year	(607,000)	(252,000)
At the end of the financial year	<u>777,000</u>	<u>1,217,000</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(c) MYR Hedged - class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	26,096,000	66,825,000
Creation of units arising from applications during the financial year	756,000	2,965,000
Cancellation of units during the financial year	(13,565,000)	(43,694,000)
At the end of the financial year	<u>13,287,000</u>	<u>26,096,000</u>

(d) SGD Hedged - class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	1,614,000	3,037,000
Creation of units arising from applications during the financial year	29,000	-
Cancellation of units during the financial year	(1,144,000)	(1,423,000)
At the end of the financial year	<u>499,000</u>	<u>1,614,000</u>

(f) USD Hedged - class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	211,000	935,000
Creation of units arising from applications during the financial year	231,000	-
Cancellation of units during the financial year	(55,000)	(724,000)
At the end of the financial year	<u>387,000</u>	<u>211,000</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

9 TRANSACTIONS WITH BROKERS

- (i) Details of transaction with the top brokers and for the financial year ended 31 March 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> EUR	Percentage of <u>total trade</u> %
UBS Securities Pte Ltd Singapore	3,269,932	100.00

- (ii) Details of transaction with the top brokers and for the financial year ended 31 March 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> EUR	Percentage of <u>total trade</u> %
UBS Securities Pte Ltd Singapore	5,436,883	100.00

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

10 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>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad ("ABB")	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

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

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>EUR</u>	<u>No. of units</u>	<u>EUR</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- AUD Hedged-class	2,748	764	2,947	986
- EUR class	3,241	1,466	2,863	1,374
- MYR Hedged-class	3,936	440	2,960	353
- SGD Hedged-class	2,799	911	2,864	1,002
- USD Hedged-class	2,011	1,003	2,111	1,050

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

11 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2020</u> %	<u>2019</u> %
MER	<u>2.15</u>	<u>2.05</u>

MER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	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 is EUR3,718,041 (2019: EUR6,991,406).

12 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2020</u>	<u>2019</u>
PTR (times)	<u>0.41</u>	<u>0.38</u>

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 = EUR400,000 (2019: EUR182,000)
total disposal for the financial year = EUR2,656,223 (2019: EUR5,171,693)

13 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 33 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 31 March 2020 and of its financial performance, net assets attributable to unitholders and cash flows for the financial year ended 31 March 2020 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 May 2020

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series - European Unconstrained Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 March 2020, 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 31 March 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders 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 31.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (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 - EUROPEAN UNCONSTRAINED FUND
(CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
18 May 2020

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