

Affin Hwang World Series - Dividend Value Fund

Annual Report
31 March 2021

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 – DIVIDEND VALUE FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 March 2021

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FUND INFORMATION

Fund Name	Affin Hwang World Series – Dividend Value Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long-term period
Benchmark	Dow Jones Asia Select Dividend 30 Index
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a quarterly basis, after the end of its first financial year.

BREAKDOWN OF UNITHOLDERS BY RM CLASS SIZE AS AT 31 MARCH 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	4	2
5,001 to 10,000	0	0
10,001 to 50,000	1	39
50,001 to 500,000	24	3,549
500,001 and above	8	49,622
Total	37	53,212

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD CLASS SIZE AS AT 31 MARCH 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	0
5,001 to 10,000	0	0
10,001 to 50,000	3	96
50,001 to 500,000	4	775
500,001 and above	4	6,565
Total	12	7,436

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD CLASS SIZE AS AT 31 MARCH 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	4	124
50,001 to 500,000	5	1,078
500,001 and above	6	16,158
Total	15	17,360

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SGD CLASS SIZE AS AT 31 MARCH 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	0
5,001 to 10,000	0	0
10,001 to 50,000	2	72
50,001 to 500,000	5	989
500,001 and above	4	7,137
Total	14	8,198

** Note : Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 Mar 2021 (%)				As at 31 Mar 2020 (%)				As at 31 Mar 2019 (%)			
Portfolio composition												
Collective investment scheme	94.22				98.16				98.06			
Cash and cash equivalent	5.78				1.84				1.94			
Total	100.00				100.00				100.00			
Currency class	RM Class	USD Class	AUD Class	SGD Class	RM Class	USD Class	AUD Class	SGD Class	RM Class	USD Class	AUD Class	SGD Class
Total NAV (million)	34.668	4.472	10.447	4.831	84.908	12.613	22.795	14.221	98.420	16.030	23.966	15.283
NAV per Unit (in respective currencies)	0.6515	0.6012	0.6017	0.5891	0.5577	0.5258	0.5618	0.5192	0.5755	0.5743	0.5644	0.5484
Unit in Circulation (million)	53.215	7.438	17.363	8.201	152.234	23.989	40.574	27.388	171.022	27.190	42.466	27.871
Highest NAV	0.6590	0.6213	0.6059	0.6004	0.6079	0.5879	0.5855	0.5710	0.6239	0.6103	0.5775	0.5829
Lowest NAV	0.4584	0.4037	0.4841	0.4209	0.4890	0.4507	0.4811	0.4546	0.5640	0.4889	0.4886	0.4989
Return of the Fund (%) ⁱⁱⁱ	45.06	51.19	21.69	42.26	-0.41	-5.74	2.35	-2.50	2.15	18.32	17.36	10.71
- Capital Growth (%) ⁱ	41.20	46.81	18.33	38.12	-3.09	-8.45	-0.46	-5.32	0.66	16.49	15.51	8.96
- Income Distribution (%) ⁱⁱ	2.73	2.98	2.84	2.99	2.76	2.95	2.82	2.98	1.48	1.57	1.60	1.61
Gross Distribution per Unit (sen)	1.51	1.51	1.51	1.51	1.50	1.50	1.50	1.50	0.88	0.88	0.88	0.88
Net Distribution per Unit (sen)	1.51	1.51	1.51	1.51	1.50	1.50	1.50	1.50	0.88	0.88	0.88	0.88
Management Expense Ratio (%) ¹			1.76				1.73				1.82	
Portfolio Turnover Ratio (times) ²			0.35				0.13				0.27	

¹The MER of the Fund was lower than previous period due to lower average NAV of the Fund for the financial year.

²The Fund recorded a higher PTR 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

MANAGER'S REPORT**Income Distribution / Unit Split**

The NAV per Unit prior and subsequent to the distribution was as follows:-

RM Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16-Jun-20	17-Jun-20	0.5043	0.0050	0.5027
16-Sep-20	17-Sep-20	0.5445	0.0050	0.5390
19-Jan-21	20-Jan-21	0.6410	0.0017	0.6431
16-Feb-21	17-Feb-21	0.6450	0.0017	0.6505
16-Mar-21	17-Mar-21	0.6572	0.0017	0.6590

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
16-Jun-20	17-Jun-20	0.4521	0.0050	0.4499
16-Sep-20	17-Sep-20	0.5044	0.0050	0.4985
19-Jan-21	20-Jan-21	0.6057	0.0017	0.6085
16-Feb-21	17-Feb-21	0.6127	0.0017	0.6164
16-Mar-21	17-Mar-21	0.6111	0.0017	0.6116

AUD Class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
16-Jun-20	17-Jun-20	0.5030	0.0050	0.4962
16-Sep-20	17-Sep-20	0.5261	0.0050	0.5210
19-Jan-21	20-Jan-21	0.5995	0.0017	0.6002
16-Feb-21	17-Feb-21	0.5997	0.0017	0.6051
16-Mar-21	17-Mar-21	0.6036	0.0017	0.6038

SGD Class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
16-Jun-20	17-Jun-20	0.4601	0.0050	0.4570
16-Sep-20	17-Sep-20	0.5008	0.0050	0.4941
19-Jan-21	20-Jan-21	0.5873	0.0017	0.5885
16-Feb-21	17-Feb-21	0.5910	0.0017	0.5964
16-Mar-21	17-Mar-21	0.5998	0.0017	0.6004

No unit splits were declared for the financial year ended 31 March 2021.

Performance Review

USD Class

Performance Review (1 April 2020 to 31 March 2021)

For the period 1 April 2020 to 31 March 2021, the Fund registered a 51.19% return compared to the benchmark return of 38.41%. The Fund thus outperformed the Benchmark by 12.78%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2021 was USD0.6012 while the NAV as at 31 March 2020 was USD0.4095. During the period under review, the Fund has declared a total gross income distribution of USD0.0151 per unit.

Since commencement, the Fund has registered a return of 35.31% compared to the benchmark return of 24.72%, outperforming by 10.59%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	51.19%	15.73%	54.46%	35.31%
Benchmark	38.41%	9.54%	41.28%	24.72%
Outperformance	12.78%	6.19%	13.18%	10.59%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	51.19%	4.99%	9.08%	5.45%
Benchmark	38.41%	3.08%	7.15%	3.95%
Outperformance	12.78%	1.91%	1.93%	1.50%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)	FYE 2017 (23/7/15 - 31/3/16)
Fund	51.19%	(18.79%)	(5.74%)	18.32%	12.80%
Benchmark	38.41%	(18.51%)	(2.88%)	15.42%	11.75%
Outperformance	12.78%	(0.28%)	(2.86%)	2.90%	1.05%

Source of Benchmark: Bloomberg

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



AUD Class

Performance Review (1 April 2020 to 31 March 2021)

For the period 1 April 2020 to 31 March 2021, the Fund registered a 21.69% return compared to the benchmark return of 10.88%. The Fund thus outperformed the Benchmark by 10.81%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2021 was AUD0.6017 while the NAV as at 31 March 2020 was AUD0.5085. During the period under review, the Fund has declared a total gross income distribution of AUD0.0151 per unit.

Since commencement, the Fund has registered a return of 34.35% compared to the benchmark return of 20.71%, outperforming by 13.64%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	21.69%	16.90%	55.21%	34.35%
Benchmark	10.88%	10.53%	42.28%	20.71%
Outperformance	10.81%	6.37%	12.93%	13.64%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	21.69%	5.34%	9.18%	5.32%
Benchmark	10.88%	3.39%	7.30%	3.36%
Outperformance	10.81%	1.95%	1.88%	1.96%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)	FYE 2017 (23/7/15 - 31/3/16)
Fund	21.69%	(6.14%)	2.35%	17.36%	13.13%
Benchmark	10.88%	(5.23%)	5.18%	14.82%	12.11%
Outperformance	10.81%	(0.91%)	(2.83%)	2.54%	1.02%

Source of Benchmark: Bloomberg

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



MYR Class

Performance Review (1 April 2020 to 31 March 2021)

For the period 1 April 2020 to 31 March 2021, the Fund registered a 45.06% return compared to the benchmark return of 32.98%. The Fund thus outperformed the Benchmark by 12.08%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2021 was MYR0.6515 while the NAV as at 31 March 2020 was MYR0.4614. During the period under review, the Fund has declared a total gross income distribution of MYR0.0151 per unit.

Since commencement, the Fund has registered a return of 45.30% compared to the benchmark return of 35.76%, outperforming by 9.54%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	45.06%	24.16%	62.34%	45.30%
Benchmark	32.98%	17.62%	51.22%	35.76%
Outperformance	12.08%	6.54%	11.12%	9.54%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	45.06%	7.47%	10.17%	6.78%
Benchmark	32.98%	5.55%	8.62%	5.51%
Outperformance	12.08%	1.92%	1.55%	1.27%

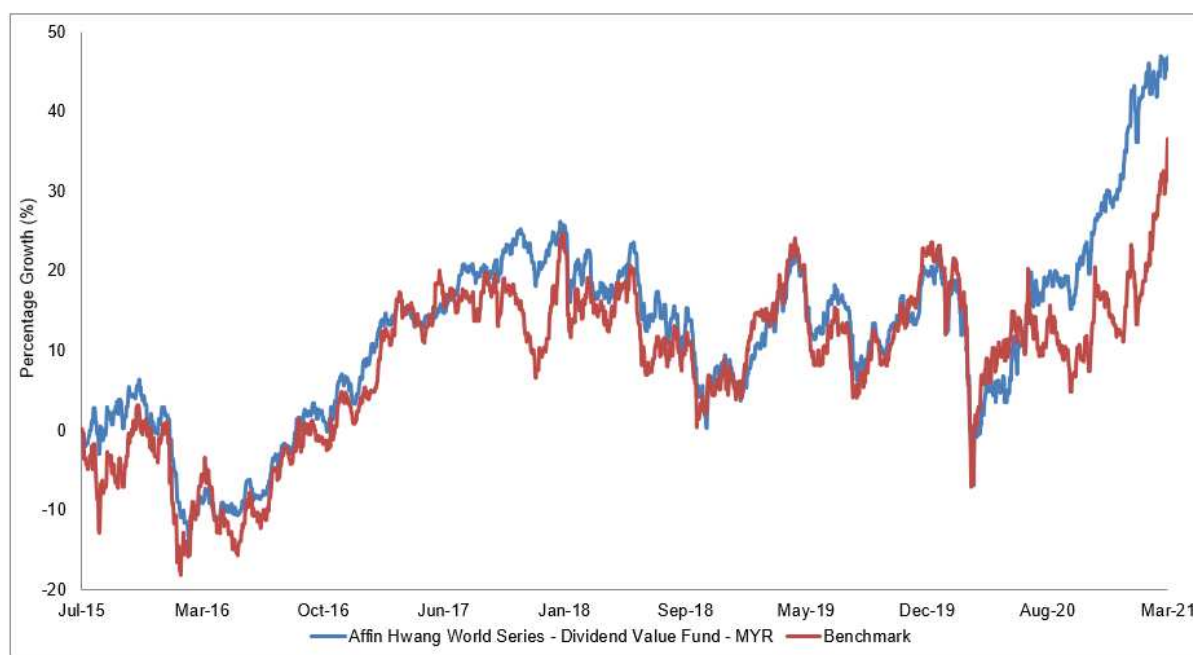
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)	FYE 2017 (1/4/16 - 31/3/17)
Fund	45.06%	(14.05%)	(0.41%)	2.15%	28.00%
Benchmark	32.98%	(13.84%)	2.66%	0.70%	27.67%
Outperformance	12.08%	(0.21%)	(3.07%)	1.45%	0.33%

Source of Benchmark: Bloomberg

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



SGD Class

Performance Review (1 April 2020 to 31 March 2021)

For the period 1 April 2020 to 31 March 2021, the Fund registered a 42.26% return compared to the benchmark return of 30.64%. The Fund thus outperformed the Benchmark by 11.62%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2021 was SGD0.5891 while the NAV as at 31 March 2020 was SGD0.4265. During the period under review, the Fund has declared a total gross income distribution of SGD0.0151 per unit.

Since commencement, the Fund has registered a return of 32.63% compared to the benchmark return of 22.68%, outperforming by 9.95%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	42.26%	18.76%	53.86%	32.63%
Benchmark	30.64%	12.34%	40.98%	22.68%
Outperformance	11.62%	6.42%	12.88%	9.95%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (23/7/15 - 31/3/21)
Fund	42.26%	5.89%	9.00%	5.08%
Benchmark	30.64%	3.95%	7.11%	3.65%
Outperformance	11.62%	1.94%	1.89%	1.43%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)	FYE 2017 (1/4/16 - 31/3/17)
Fund	42.26%	(14.38%)	(2.50%)	10.71%	17.02%
Benchmark	30.64%	(14.38%)	0.43%	8.31%	15.87%
Outperformance	11.62%	0.00%	(2.93%)	2.40%	1.15%

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: Dow Jones Asia Select Dividend 30 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 94.22% of the Fund's NAV, while the balance was held in cash and cash equivalent.

Strategies Employed

Portfolio strategy review Despite the destructive pandemic impacts in 2020, Asian equities managed to look past the disruptions and posted a strong performance. Digging deep in performance breakdown, however, one could find the performance contribution was heavily skewed towards specific sectors that benefited from the pandemic, namely non-dividend-paying new economy stocks that enjoyed structural growth. Overall, 2020 had not been a favorable year for equity dividend strategy.

Considering the challenges and the dividend reduction risk amid the pandemic, it has come to our careful and measured consideration to strategically allocate part of the portfolio to respective structural growth stocks while maintaining the overall portfolio dividend yield at 4%. This has paid off as the Fund climbed 13.9% in 2020 versus net 0% return in the MSCI Asia ex Japan High Dividend Yield Index. One of the key sector additions to the portfolio was e-commerce, as they benefited from the inevitably expedited digitalization trend. Besides the newly added structural growth exposures, our core technology hardware holdings in Taiwan and South Korea were also among the top contributors, supported by the strong pandemic tailwind, which boosted the demand for stay-home electronic equipment. Another contributor is our underweight position in the South Asia region throughout the year as the sub-region was greatly under the adverse impact of COVID-19, driving an unexciting earnings recovery profile. Meanwhile, detraction came from the old economy sectors such as real estate, financials, and industrials as they were dragged by the dampened macroeconomy.

Market Review

Under the COVID-caused economic damages, selective North Asian markets, particularly China, came out stronger, leading Asia's uneven recovery path and equity returns throughout 2020. In 2020, the MSCI Asia ex Japan Index ended the year with a 25.0%¹ rise, versus the net 0% return in the MSCI Asia ex Japan High Dividend Yield Index. Over the same period, the Fund returned 13.9%.

China: Domestic consumers is the mainstay of post-COVID growth

China was the first to lock down as the COVID epidemic unfolded but opened up sooner and has managed to secure growth in major macro indicators. After the deepest contraction of GDP in history in the first quarter, the country's YoY economic growth returned to the positive territory in the third and fourth quarter, concluding full year 2020 with 2.3% GDP growth². The growth was supported by domestic-led economic activities and exports. Geopolitical tension was another key event in 2020 as the relations turned strained when the U.S. takes aim at the giant Chinese tech firms and introduced investment restrictions in China-related companies. Following the White House's power transition, we take a cautiously optimistic stance as we expect a more open platform for discussion but a low likelihood of a complete reversal of policies implemented during Trump's presidency. Thus, China taking a domestic-oriented approach in its dualcirculation agenda is sensible as it builds a more self-reliant economy that helps manage growth volatility induced by external uncertainties going forward.

Taiwan: Robust export and undisturbed economic growth

Throughout the year, Taiwan's economy and equity market braved the challenges, with its resiliency outstanding among other markets. Effective handling of the virus and a favorable surge in digitalization demand all contributed to the strong equity rally. Taiwan has been the major beneficiary of the ongoing 5G upgrade and the robust demand for stay-home electronic equipment amid the lockdown throughout most of 2020. In 4Q20, both electronic components and information technology products export refreshed their respective previous highs. The full-year export volume saw a 4.9% year-on-year growth ending at US\$3.4 trillion³, more than offsetting the weakness in non-tech export amid the COVID-caused lockdown abroad. Riding on a domestic consumption recovery and positive export growth, the officials provided an optimistic GDP growth target of 3.8% for 2021⁴.

South Korea: External demand clears up recovery

Similarly, South Korea is also a beneficiary of the demand created by the accelerated digitalization trend, especially for DRAM memory chips – a major commercial product in Korea's chip export. Such backdrop supported equity market performance with the MSCI Korea Index ending the year with a 45.2% rise¹. Manufacturing activities are expected to continue the robust momentum, as echoed by the country's trade ministry who expects the COVID-induced demand for remote activities to persist and thus chip exports to rise more than 10% in 2021⁵. On the basis of a meaningful recovery in anticipation, the Bank of Korea projects the economy to go up 3.0% in 2021.

ASEAN: Monitor virus contagion and USD

After the sluggish performance in 2020, the South Asian equity market emerges as a catch-up potential, seeing a considerable amount of foreign institutional capital inflows towards the end of the year. Looking beyond COVID-19, the U.S. Federal Reserve confirmed its dovish stance and revealed a greater tolerance over the inflation rate during the quarter. The U.S. dollar is believed to be on a structural weakening trend, which has historically provided a favorable environment for equity performance in the ASEAN region.

Investment Outlook

Into 2021, we look to maintain a diversified portfolio and being nimble on the structural growth stocks allocation. We believe the worst of the pandemic is behind us. The anticipated vaccine shall gradually unlock the reopening and recovery process in 2021. The preemptive and supportive monetary and fiscal policies have been a major tailwind to global equity markets in 2020, and we believe the liquidity-driven environment would not subside in 2021. Asian equities, especially China-related companies, are expected to lead the growth. Profit growth derived from old and new economy sectors is expected to be more balanced this year. Besides, the USD is on a structural weakening trend, which is traditionally favorable to emerging market equities. Also, because of their highly sensitive nature to fund flows, we see selective value opportunities in South Asian equities.

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.

Cross Trade

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

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND

We have acted as Trustee for Affin Hwang World Series – Dividend Value Fund (the “Fund”) for the financial year ended 31 March 2021. To the best of our knowledge, for the financial year 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.

We are of the view that the distributions made during this financial year ended 31 March 2021 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Gerald Ang
Chief Executive Officer

Kuala Lumpur
17 May 2021

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
INVESTMENT INCOME/(LOSS)			
Dividend income		1,214,426	2,710,075
Interest income from financial assets at amortised cost		1,877	3,972
Net gain/(loss) on foreign currency exchange		10,575	(8,756)
Net gain/(loss) on financial assets at fair value through profit or loss	9	11,217,984	(9,366,014)
		<u>12,444,862</u>	<u>(6,660,723)</u>
EXPENSES			
Management fee	4	(463,878)	(786,034)
Trustee fee	5	(11,340)	(19,125)
Fund accounting fee	6	(7,435)	-
Auditors' remuneration		(1,836)	(1,958)
Tax agent's fee		(803)	(857)
Other expenses		(12,967)	(13,008)
		<u>(498,259)</u>	<u>(820,982)</u>
NET PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		11,946,603	(7,481,705)
FINANCE COST			
Distributions	7	(810,832)	(1,714,799)
NET PROFIT/(LOSS) BEFORE TAXATION		<u>11,135,771</u>	<u>(9,196,504)</u>
Taxation	8	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>11,135,771</u>	<u>(9,196,504)</u>
Increase/(decrease) in net asset attributable to unitholders is made up of the following:			
Realised amount		(722,764)	(1,033,840)
Unrealised amount		11,858,535	(8,162,664)
		<u>11,135,771</u>	<u>(9,196,504)</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 - DIVIDEND VALUE FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
ASSETS			
Cash and cash equivalents	10	1,402,981	1,351,876
Amount due from Manager			
- creation of units		117,770	3,122
- management fee rebate receivable		24,721	32,485
Financial assets at fair value through profit or loss	9	22,984,971	28,248,046
TOTAL ASSETS		<u>24,530,443</u>	<u>29,635,529</u>
LIABILITIES			
Amount due to Manager			
- management fee		34,515	44,453
- cancellation of units		92,354	803,165
Amount due to Trustee		837	1,078
Auditors' remuneration		1,957	2,220
Tax agent's fee		2,107	3,101
Other payables and accruals		3,350	2,950
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>135,120</u>	<u>856,967</u>
NET ASSET VALUE OF THE FUND		<u>24,395,323</u>	<u>28,778,562</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>24,395,323</u>	<u>28,778,562</u>

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

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

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Class		7,961,461	7,567,920
- RM Class		8,367,774	10,843,196
- SGD Class		3,594,434	4,418,466
- USD Class		4,471,654	5,948,980
		<u>24,395,323</u>	<u>28,778,562</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Class	11 (a)	17,363,000	24,262,000
- RM Class	11 (b)	53,215,000	101,475,000
- SGD Class	11 (c)	8,201,000	14,797,000
- USD Class	11 (d)	7,438,000	14,527,000
		<u>86,217,000</u>	<u>155,061,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Class		0.4585	0.3119
- RM Class		0.1572	0.1069
- SGD Class		0.4383	0.2986
- USD Class		<u>0.6012</u>	<u>0.4095</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Class		AUD0.6017	AUD0.5085
- RM Class		RM0.6515	RM0.4614
- SGD Class		SGD0.5891	SGD0.4265
- USD Class		<u>USD0.6012</u>	<u>USD0.4095</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 - DIVIDEND VALUE FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>2021</u> USD	<u>2020</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	28,778,562	60,075,088
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	2,409,736	9,243,058
- AUD Class	1,129,165	1,855,708
- RM Class	591,658	6,825,900
- SGD Class	502,450	110,291
- USD Class	186,463	451,159
Creation of units arising from distributions	798,486	1,669,457
- AUD Class	226,197	398,198
- RM Class	273,417	606,774
- SGD Class	127,131	280,644
- USD Class	171,741	383,841
Cancellation of units	(18,727,232)	(33,012,537)
- AUD Class	(4,008,984)	(8,659,247)
- RM Class	(7,423,953)	(13,804,253)
- SGD Class	(3,183,833)	(5,060,305)
- USD Class	(4,110,462)	(5,488,732)
Net increase/(decrease) in net assets attributable to unitholders during the financial year	11,135,771	(9,196,504)
- AUD Class	3,047,163	(2,187,217)
- RM Class	4,083,456	(3,591,004)
- SGD Class	1,730,220	(1,407,666)
- USD Class	2,274,932	(2,010,617)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>24,395,323</u>	<u>28,778,562</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 - DIVIDEND VALUE FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		17,442,779	22,789,424
Purchase of investments		(1,300,000)	(2,080,000)
Dividends received		1,214,426	2,710,075
Interest received		1,877	3,972
Rebate management fee received		346,044	614,256
Management fee paid		(473,816)	(825,911)
Trustee fee paid		(11,581)	(20,091)
Payment for other fees and expenses		(23,898)	(14,460)
Net realised (loss)/gain on foreign currency exchange		(1,247)	3,974
Net cash generated from operating activities		<u>17,194,584</u>	<u>23,181,239</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		2,295,088	9,249,707
Payments for cancellation of units		(19,438,043)	(32,821,729)
Payments for distributions		(12,346)	(45,342)
Net cash used in financing activities		<u>(17,155,301)</u>	<u>(23,617,364)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		39,283	(436,125)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		11,822	(12,730)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		<u>1,351,876</u>	<u>1,800,731</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10	<u><u>1,402,981</u></u>	<u><u>1,351,876</u></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 - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 K.

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

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'

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

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

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 'onerous contracts—cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

B INCOME RECOGNITION

Dividend income

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

Interest income

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

C DISTRIBUTION

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

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

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

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY 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 statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions.

The Fund has not taken the option to irrevocably designate any securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

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

The Fund classifies cash and cash equivalents 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.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

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

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign 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.

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

Investment in collective investment schemes are valued at the last published 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.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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 and lifetime 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 unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

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

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

Write-off

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

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

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

H CASH AND CASH EQUIVALENTS

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

I CREATION AND CANCELLATION OF UNITS

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

The Fund issues cancellable units, in four classes of units, known respectively as the AUD class, RM class, SGD class and USD 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 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.

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

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

K 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.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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.

Functional currency

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

- i) Significant portion of cash is denominated in USD for the purpose of making settlement of the foreign trades.
- ii) Significant portion of the Fund's expenses are denominated in USD.

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

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

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series - Dividend Value Fund (the "Fund") (formerly known as Affin Hwang Dividend Value Fund) pursuant to the execution of a Deed dated 8 May 2015, 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 Dividend Value Fund to Affin Hwang World Series – Dividend Value Fund as amended by the Second Supplemental Deed dated 3 August 2016.

The Fund commenced operations on 23 July 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 any of the following assets, subject to the Deeds, the Fund's objective, the Guidelines, the requirements of the SC and all relevant laws:

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

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 17 May 2021.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	At amortised cost USD	At fair value through profit or loss USD	Total USD
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	1,402,981	-	1,402,981
Amount due from Manager				
- creation of units		117,770	-	117,770
- management fee rebate receivable		24,721	-	24,721
Collective investment scheme	9	-	22,984,971	22,984,971
Total		<u>1,545,472</u>	<u>22,984,971</u>	<u>24,530,443</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		34,515	-	34,515
- cancellation of units		92,354	-	92,354
Amount due to Trustee		837	-	837
Auditors' remuneration		1,957	-	1,957
Tax agent's fee		2,107	-	2,107
Other payables and accruals		3,350	-	3,350
Total		<u>135,120</u>	<u>-</u>	<u>135,120</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	1,351,876	-	1,351,876
Amount due from Manager				
- creation of units		3,122	-	3,122
- management fee rebate receivable		32,485	-	32,485
Collective investment scheme	9	-	28,248,046	28,248,046
Total		<u>1,387,483</u>	<u>28,248,046</u>	<u>29,635,529</u>

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		44,453	-	44,453
- cancellation of units		803,165	-	803,165
Amount due to Trustee		1,078	-	1,078
Auditors' remuneration		2,220	-	2,220
Tax agent's fee		3,101	-	3,101
Other payables and accruals		2,950	-	2,950
Total		<u>856,967</u>	<u>-</u>	<u>856,967</u>

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

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

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

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

	<u>2021</u> USD	<u>2020</u> USD
Collective investment scheme	22,984,971	28,248,046

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% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> USD
<u>2021</u>		
-10%	20,686,474	(2,298,497)
0%	22,984,971	-
+10%	25,283,468	2,298,497
<u>2020</u>		
-10%	25,423,241	(2,824,805)
0%	28,248,046	-
+10%	31,072,851	2,824,805

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to a short term 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 a deposit with licensed financial institutions is not material as the deposit is held on a short term basis.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (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 movements against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

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

	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2021</u>			
<u>Financial assets</u>			
Australian Dollar	2,545	117,770	120,315
Malaysian Ringgit	28,458	-	28,458
Singapore Dollar	21,870	-	21,870
	<u>52,873</u>	<u>117,770</u>	<u>170,643</u>
	Other <u>payables**</u> USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>			
Australian Dollar	-	7,961,461	7,961,461
Malaysian Ringgit	24,554	8,367,774	8,392,328
Singapore Dollar	47,316	3,594,434	3,641,750
	<u>71,870</u>	<u>19,923,669</u>	<u>19,995,539</u>

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (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)

	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2020</u>			
<u>Financial assets</u>			
Australian Dollar	121,805	3,122	124,927
Malaysian Ringgit	88,610	-	88,610
Singapore Dollar	29,398	-	29,398
	<u>239,813</u>	<u>3,122</u>	<u>242,935</u>
	Other <u>payables**</u> USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>			
Australian Dollar	118,268	7,567,920	7,686,188
Malaysian Ringgit	448,683	10,843,196	11,291,879
Singapore Dollar	26,603	4,418,466	4,445,069
	<u>593,554</u>	<u>22,829,582</u>	<u>23,423,136</u>

* Other assets consist of amount due from Manager.

**Other payables consist of amount due to Manager.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (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 remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase 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 rate %	Impact on profit after tax/ NAV USD
<u>2021</u>		
Australian Dollar	+/- 13.75	-/+ 1,078,158
Malaysian Ringgit	+/- 6.12	-/+ 511,869
Singapore Dollar	+/- 5.48	-/+ 198,369
<u>2020</u>		
Australian Dollar	+/- 11.28	-/+ 852,843
Malaysian Ringgit	+/- 5.88	-/+ 444,626
Singapore Dollar	+/- 4.63	-/+ 250,224

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.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

Liquidity risk (continued)

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.

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

	Within one month USD	Between one month to one year USD	Total USD
<u>2021</u>			
Amount due to Manager			
- management fees	34,515	-	34,515
- cancellation of units	92,354	-	92,354
Amount due to Trustee	837	-	837
Auditors' remuneration	-	1,957	1,957
Tax agent fee	-	2,107	2,107
Other payables and accruals	-	3,350	3,350
Net assets attributable to unitholders*	24,395,323	-	24,395,323
	<u>24,523,029</u>	<u>7,414</u>	<u>24,530,443</u>
<u>2020</u>			
Amount due to Manager			
- management fees	44,453	-	44,453
- cancellation of units	803,165	-	803,165
Amount due to Trustee	1,078	-	1,078
Auditors' remuneration	-	2,220	2,220
Tax agent fee	-	3,101	3,101
Other payables and accruals	-	2,950	2,950
Net assets attributable to unitholders*	28,778,562	-	28,778,562
	<u>29,627,258</u>	<u>8,271</u>	<u>29,635,529</u>

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

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.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

Credit risk (continued)

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:

	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2021</u>			
Financial services			
- AA1	1,402,981	-	1,402,981
Others			
- NR	-	142,491	142,491
	<u>1,402,981</u>	<u>142,491</u>	<u>1,545,472</u>
<u>2020</u>			
Financial services			
- AAA	83,587	-	83,587
- AA1	1,268,289	-	1,268,289
Others			
- NR	-	35,607	35,607
	<u>1,351,876</u>	<u>35,607</u>	<u>1,387,483</u>

* Other assets consist of management fee rebate receivable and amount due from Manager.

Capital risk

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

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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.

Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2021</u>				
Financial assets at fair value through profit or loss - collective investment scheme	22,984,971	-	-	22,984,971

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

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

<u>2020</u>	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
Financial assets at fair value through profit or loss				
- collective investment scheme	28,248,046	-	-	28,248,046

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.

The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities 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 calculated on a daily basis.

For the financial year ended 31 March 2021, the management fee is recognised at a rate of 1.65% (2020: 1.65%) 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 Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, subject to a minimum of RM18,000 per annum or its equivalents in the base currency of the Fund, whichever is higher, calculated and accrued daily, (excluding of foreign custodian fees and charges) and its calculated using the Fund's base currency.

For the financial year ended 31 March 2021, the Trustee's fee is recognised at a rate of 0.04% (2020: 0.04%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-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 - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is USD7,435 (2020: USD NIL) per annum.

7 DISTRIBUTIONS

	<u>2021</u> USD	<u>2020</u> USD
Distributions to unitholders is from the following sources:		
Dividend income	213,603	-
Prior years' realised income	597,884	1,729,148
Gross realised income	811,487	1,729,148
Less: Expenses	(655)	(14,349)
Net distribution amount	<u>810,832</u>	<u>1,714,799</u>

	Gross/Net distribution per unit (sen)			
	<u>AUD Class</u> AUD	<u>RM Class</u> MYR	<u>SGD Class</u> SGD	<u>USD Class</u> USD
<u>2021</u>				
17.06.2020	0.50	0.50	0.50	0.50
17.09.2020	0.50	0.50	0.50	0.50
20.01.2021	0.17	0.17	0.17	0.17
17.02.2021	0.17	0.17	0.17	0.17
17.03.2021	0.17	0.17	0.17	0.17
	<u>1.51</u>	<u>1.51</u>	<u>1.51</u>	<u>1.51</u>
<u>2020</u>				
19.06.2019	0.500	0.500	0.500	0.500
18.09.2019	0.500	0.500	0.500	0.500
18.12.2019	0.500	0.500	0.500	0.500
18.03.2020	0.500	0.500	0.500	0.500
	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution made for the financial year includes an amount of USD597,884 (2020: USD1,729,148) from previous years' realised income.

There are unrealised losses during the financial year USD Nil (2020: USD8,162,664)

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

8 TAXATION

	<u>2021</u> USD	<u>2020</u> USD
Current taxation	-	-

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

	<u>2021</u> USD	<u>2020</u> USD
Net profit/(loss) before taxation	11,946,603	(7,481,705)
Tax at Malaysian statutory rate of 24% (2020: 24%)	2,867,185	(1,795,609)
Tax effects of:		
(Investment income not subject to tax)/		
investment loss not deductible for tax purposes	(2,905,580)	1,739,154
Expenses not deductible for tax purposes	7,591	7,682
Restriction on tax deductible expenses for Wholesale Funds	30,804	48,773
Tax expense	-	-

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> USD	<u>2020</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	22,984,971	28,248,046
Net gain/(loss) on financial assets at fair value through profit or loss		
- realised loss on sale of investments	(967,009)	(1,801,830)
- unrealised gain/(loss) on changes in fair value	11,846,713	(8,149,935)
- management fee rebate on collective investment scheme	338,280	585,751
	11,217,984	(9,366,014)

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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 the 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 fee received from the Manager of the 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 2021 is as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Value Partners High - Dividend Stocks Fund	1,806,995	20,430,928	22,984,971	94.22
Total collective investment scheme	1,806,995	20,430,928	22,984,971	94.22
Accumulated unrealised gain on collective investment scheme		2,554,043		
Total collective investment scheme		22,984,971		

(ii) Collective investment scheme as at 31 March 2020 is as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Value Partners High - Dividend Stocks Fund	3,292,313	37,540,716	28,248,046	98.16
Total collective investment scheme	3,292,313	37,540,716	28,248,046	98.16
Accumulated unrealised loss on collective investment scheme		(9,292,670)		
Total collective investment scheme		28,248,046		

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

10 CASH AND CASH EQUIVALENTS

	<u>2021</u> USD	<u>2020</u> USD
Cash and bank balances	1,402,981	1,268,289
Deposit with a licensed financial institution	-	83,587
	<u>1,402,981</u>	<u>1,351,876</u>

Weighted average effective interest rates per annum for deposits with licensed financial institution as follows:

	<u>2021</u> %	<u>2020</u> %
Deposit with a licensed financial institution	-	2.55

Deposit with a licensed financial institution of the Fund has an average maturity of nil day (2020: 1 day).

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	24,262,000	40,574,000
Creation of units arising from applications	2,759,130	4,892,809
Creation of units arising from distributions	581,796	1,096,434
Cancellation of units	(10,239,926)	(22,301,243)
At the end of the financial year	<u>17,363,000</u>	<u>24,262,000</u>

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) RM class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	101,475,000	152,234,000
Creation of units arising from applications	4,473,298	51,184,000
Creation of units arising from distributions	2,087,582	4,884,641
Cancellation of units	(54,820,880)	(106,827,641)
At the end of the financial year	<u>53,215,000</u>	<u>101,475,000</u>

(c) SGD class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	14,797,000	27,388,000
Creation of units arising from applications	1,239,261	307,600
Creation of units arising from distributions	345,960	804,698
Cancellation of units	(8,181,221)	(13,703,298)
At the end of the financial year	<u>8,201,000</u>	<u>14,797,000</u>

(d) USD class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	14,527,000	23,989,000
Creation of units arising from applications	312,128	860,447
Creation of units arising from distributions	344,517	807,061
Cancellation of units	(7,745,645)	(11,129,508)
At the end of the financial year	<u>7,438,000</u>	<u>14,527,000</u>

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

12 TRANSACTIONS WITH BROKER

(i) Details of transaction with broker for the financial year ended 31 March 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
HSBC Limited (HK)	18,438,741	98.38
HSBC Securities (US) Inc	304,038	1.62
	<u>18,742,779</u>	<u>100.00</u>

(ii) Details of transaction with broker for the financial year ended 31 March 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
Value Partners Limited	<u>24,869,423</u>	<u>100.00</u>

The transaction with Value Partners Limited is in relation to purchase Value Partners High - Dividend Stocks Fund.

13 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>Relationship</u>
Lembaga Tabung Angkatan Tentera ("LTAT")	Ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

	<u>2021</u>		<u>2020</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Bhd (The units are held legally for booking purpose)				
- AUD Class	3,343	1,533	3,800	1,185
- RM Class	3,726	586	2,553	273
- SGD Class	2,683	1,176	2,401	717
- USD Class	2,565	1,542	2,697	1,104
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2021</u>	<u>2020</u>
	%	%
MER	1.76	1.72
	<u> </u>	<u> </u>

MER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	Fund accounting fee
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD28,335,636 (2020: USD47,811,495).

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2021</u> %	<u>2020</u> %
PTR (times)	<u>0.35</u>	<u>0.28</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 = USD1,300,000 (2020: USD2,080,000)
total disposal for the financial year = USD18,409,788 (2020: USD24,591,254)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

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

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 31 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 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 March 2021 in accordance with the Malaysia Financial Reporting Standards, International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
17 May 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series – Dividend Value Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2021, 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 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 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’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors’ report thereon

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
17 May 2021

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