

# Affin Hwang World Series - Dividend Value Fund

Annual Report  
31 March 2022

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 2022

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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.

## FUND PERFORMANCE DATA

Category	As at 31 Mar 2022 (%)				As at 31 Mar 2021 (%)				As at 31 Mar 2020 (%)			
Portfolio composition												
Collective investment scheme	94.98				94.22				98.16			
Cash and cash equivalent	5.02				5.78				1.84			
<b>Total</b>	<b>100.00</b>				<b>100.00</b>				<b>100.00</b>			
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)	32.378	3.486	8.250	4.025	34.668	4.472	10.447	4.831	84.908	12.613	22.795	14.221
NAV per Unit (in respective currencies)	0.5853	0.5321	0.5422	0.5251	0.6515	0.6012	0.6017	0.5891	0.5577	0.5258	0.5618	0.5192
Unit in Circulation (million)	55.318	6.550	15.216	7.665	53.215	7.438	17.363	8.201	152.234	23.989	40.574	27.388
Highest NAV	0.6678	0.6220	0.6262	0.6024	0.6590	0.6213	0.6059	0.6004	0.6079	0.5879	0.5855	0.5710
Lowest NAV	0.5359	0.4871	0.5167	0.4848	0.4584	0.4037	0.4841	0.4209	0.4890	0.4507	0.4811	0.4546
Return of the Fund (%) <sup>iii</sup>	-7.23	-8.55	-6.87	-7.90	45.06	51.19	21.69	42.26	-0.41	-5.74	2.35	-2.50
- Capital Growth (%) <sup>i</sup>	-10.16	-11.49	-9.89	-10.86	41.20	46.81	18.33	38.12	-3.09	-8.45	-0.46	-5.32
- Income Distribution (%) <sup>ii</sup>	3.27	3.33	3.35	3.33	2.73	2.98	2.84	2.99	2.76	2.95	2.82	2.98
Gross Distribution per Unit (sen)	2.04	1.90	1.98	1.87	1.51	1.51	1.51	1.51	1.50	1.50	1.50	1.50
Net Distribution per Unit (sen)	2.04	1.90	1.98	1.87	1.51	1.51	1.51	1.51	1.50	1.50	1.50	1.50
Total Expense Ratio (%) <sup>1</sup>			1.75				1.76				1.73	
Portfolio Turnover Ratio (times) <sup>2</sup>			0.14				0.35				0.13	

<sup>1</sup>The TER of the Fund was lower than previous period due to lower average NAV of the Fund for the financial year.

<sup>2</sup>The Fund recorded a lower PTR due to lower average sum of total acquisition and disposal 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)
20-Apr-21	21-Apr-21	0.6678	0.0017	0.6665
18-May-21	19-May-21	0.6483	0.0017	0.6588
15-Jun-21	16-Jun-21	0.6607	0.0017	0.6560
20-Jul-21	21-Jul-21	0.6614	0.0017	0.6550
17-Aug-21	18-Aug-21	0.6456	0.0017	0.6461
19-Sep-21	20-Sep-21	0.6362	0.0017	0.6279
19-Oct-21	20-Oct-21	0.6381	0.0017	0.6376
16-Nov-21	17-Nov-21	0.6325	0.0017	0.6326
14-Dec-21	15-Dec-21	0.6243	0.0017	0.6200
18-Jan-22	19-Jan-22	0.6315	0.0017	0.6329
15-Feb-22	16-Feb-22	0.6273	0.0017	0.6332
15-Mar-22	16-Mar-22	0.5359	0.0017	0.5556

#### USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
20-Apr-21	21-Apr-21	0.6204	0.0014	0.6190
18-May-21	19-May-21	0.6012	0.0017	0.6088
15-Jun-21	16-Jun-21	0.6138	0.0017	0.6094
20-Jul-21	21-Jul-21	0.5985	0.0015	0.5917
17-Aug-21	18-Aug-21	0.5826	0.0017	0.5831
19-Sep-21	20-Sep-21	0.5831	0.0015	0.5726
19-Oct-21	20-Oct-21	0.5850	0.0017	0.5860
16-Nov-21	17-Nov-21	0.5804	0.0017	0.5783
14-Dec-21	15-Dec-21	0.5638	0.0017	0.5603
18-Jan-22	19-Jan-22	0.5768	0.0017	0.5764
15-Feb-22	16-Feb-22	0.5724	0.001	0.5785
15-Mar-22	16-Mar-22	0.4871	0.0017	0.5059

**AUD Class**

<b>Cum Date</b>	<b>Ex-Date</b>	<b>Cum-distribution (AUD)</b>	<b>Distribution per Unit (AUD)</b>	<b>Ex-distribution (AUD)</b>
20-Apr-21	21-Apr-21	0.6073	0.0014	0.6124
18-May-21	19-May-21	0.5880	0.0017	0.5993
15-Jun-21	16-Jun-21	0.6084	0.0017	0.6033
20-Jul-21	21-Jul-21	0.6207	0.0017	0.6166
17-Aug-21	18-Aug-21	0.6092	0.0017	0.6133
19-Sep-21	20-Sep-21	0.6083	0.0017	0.6037
19-Oct-21	20-Oct-21	0.6037	0.0017	0.5968
16-Nov-21	17-Nov-21	0.6031	0.0017	0.6057
14-Dec-21	15-Dec-21	0.6040	0.0017	0.5996
18-Jan-22	19-Jan-22	0.6098	0.0017	0.6106
15-Feb-22	16-Feb-22	0.6114	0.0014	0.6149
15-Mar-22	16-Mar-22	0.5167	0.0017	0.5336

**SGD Class**

<b>Cum Date</b>	<b>Ex-Date</b>	<b>Cum-distribution (SGD)</b>	<b>Distribution per Unit (SGD)</b>	<b>Ex-distribution (SGD)</b>
20-Apr-21	21-Apr-21	0.6007	0.0014	0.6005
18-May-21	19-May-21	0.5828	0.0017	0.5915
15-Jun-21	16-Jun-21	0.5933	0.0016	0.5891
20-Jul-21	21-Jul-21	0.5940	0.0015	0.5899
17-Aug-21	18-Aug-21	0.5768	0.0017	0.5783
19-Sep-21	20-Sep-21	0.5718	0.0015	0.5645
19-Oct-21	20-Oct-21	0.5761	0.0017	0.5739
16-Nov-21	17-Nov-21	0.5725	0.0017	0.5726
14-Dec-21	15-Dec-21	0.5623	0.0017	0.5581
18-Jan-22	19-Jan-22	0.5665	0.0017	0.5666
15-Feb-22	16-Feb-22	0.5615	0.0008	0.5667
15-Mar-22	16-Mar-22	0.4848	0.0017	0.5021

No unit splits were declared for the financial year ended 31 March 2022.

## Performance Review

### USD Class

For the period 1 April 2021 to 31 March 2022, the Fund registered a -8.55% return compared to the benchmark return of -13.39%. The Fund thus outperformed the Benchmark by 4.84%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2022 was USD0.5321 while the NAV as at 31 March 2021 was USD0.6012. During the period under review, the Fund has declared a total gross income distribution of USD0.0190 per unit.

Since commencement, the Fund has registered a return of 23.75% compared to the benchmark return of 8.02%, outperforming by 15.73%.

Table 1: Performance of the Fund

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(8.55%)</b>	<b>12.29%</b>	<b>25.24%</b>	<b>23.75%</b>
<b>Benchmark</b>	<b>(13.39%)</b>	<b>(2.31%)</b>	<b>9.50%</b>	<b>8.02%</b>
<b>Outperformance</b>	<b>4.84%</b>	<b>14.60%</b>	<b>15.74%</b>	<b>15.73%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(8.55%)</b>	<b>3.94%</b>	<b>4.60%</b>	<b>3.23%</b>
<b>Benchmark</b>	<b>(13.39%)</b>	<b>(0.78%)</b>	<b>1.83%</b>	<b>1.16%</b>
<b>Outperformance</b>	<b>4.84%</b>	<b>4.72%</b>	<b>2.77%</b>	<b>2.07%</b>

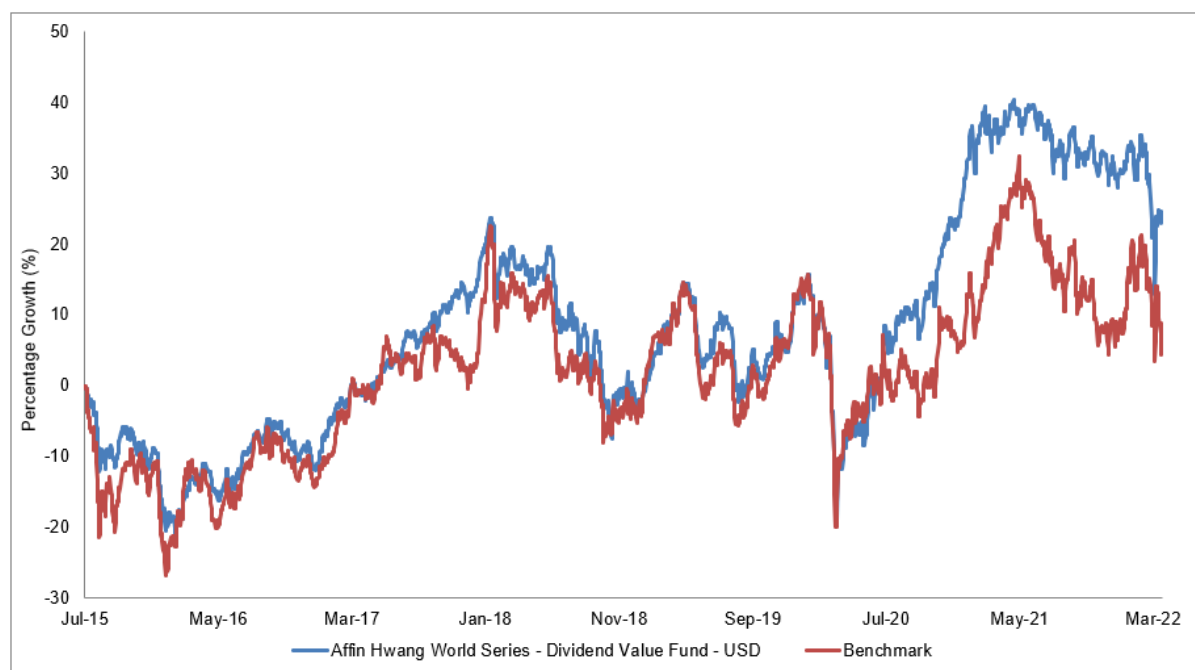
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022</b> (1/4/21 - 31/3/22)	<b>FYE 2021</b> (1/4/20 - 31/3/21)	<b>FYE 2020</b> (1/4/19 - 31/3/20)	<b>FYE 2019</b> (1/4/18 - 31/3/19)	<b>FYE 2018</b> (1/4/17 - 31/3/18)
<b>Fund</b>	<b>(8.55%)</b>	<b>51.19%</b>	<b>(18.79%)</b>	<b>(5.74%)</b>	<b>18.32%</b>
<b>Benchmark</b>	<b>(13.39%)</b>	<b>38.41%</b>	<b>(18.51%)</b>	<b>(2.88%)</b>	<b>15.42%</b>
<b>Outperformance</b>	<b>4.84%</b>	<b>12.78%</b>	<b>(0.28%)</b>	<b>(2.86%)</b>	<b>2.90%</b>

Source of Benchmark: Bloomberg

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



### **AUD Class**

For the period 1 April 2021 to 31 March 2022, the Fund registered a -6.87% return compared to the benchmark return of -11.99%. The Fund thus outperformed the Benchmark by 5.12%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 March 2022 was AUD0.5422 while the NAV as at 31 March 2021 was AUD0.6017. During the period under review, the Fund has declared a total gross income distribution of AUD0.0198 per unit.

Since commencement, the Fund has registered a return of 25.12% compared to the benchmark return of 6.23%, outperforming by 18.89%.

Table 1: Performance of the Fund

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(6.87%)</b>	<b>6.38%</b>	<b>27.77%</b>	<b>25.12%</b>
<b>Benchmark</b>	<b>(11.99%)</b>	<b>(7.51%)</b>	<b>11.69%</b>	<b>6.23%</b>
<b>Outperformance</b>	<b>5.12%</b>	<b>13.89%</b>	<b>16.08%</b>	<b>18.89%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(6.87%)</b>	<b>2.08%</b>	<b>5.02%</b>	<b>3.40%</b>
<b>Benchmark</b>	<b>(11.99%)</b>	<b>(2.57%)</b>	<b>2.24%</b>	<b>0.91%</b>
<b>Outperformance</b>	<b>5.12%</b>	<b>4.65%</b>	<b>2.78%</b>	<b>2.49%</b>

Source of Benchmark: Bloomberg

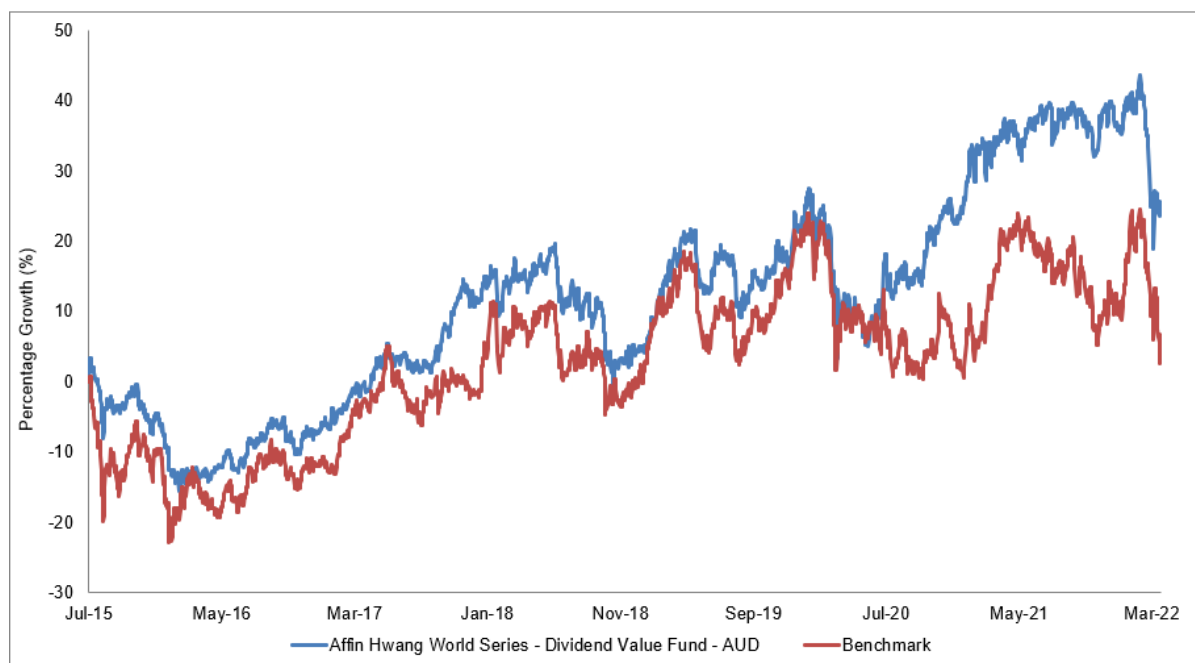


Table 3: Annual Total Return

	<b>FYE 2022</b> (1/4/21 - 31/3/22)	<b>FYE 2021</b> (1/4/20 - 31/3/21)	<b>FYE 2020</b> (1/4/19 - 31/3/20)	<b>FYE 2019</b> (1/4/18 - 31/3/19)	<b>FYE 2018</b> (1/4/17 - 31/3/18)
<b>Fund</b>	<b>(6.87%)</b>	<b>21.69%</b>	<b>(6.14%)</b>	<b>2.35%</b>	<b>17.36%</b>
<b>Benchmark</b>	<b>(11.99%)</b>	<b>10.88%</b>	<b>(5.23%)</b>	<b>5.18%</b>	<b>14.82%</b>
<b>Outperformance</b>	<b>5.12%</b>	<b>10.81%</b>	<b>(0.91%)</b>	<b>(2.83%)</b>	<b>2.54%</b>

Source of Benchmark: Bloomberg

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



### **MYR Class**

For the period 1 April 2021 to 31 March 2022, the Fund registered a -7.23% return compared to the benchmark return of -12.02%. The Fund thus outperformed the Benchmark by 4.79%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 March 2022 was MYR0.5853 while the NAV as at 31 March 2021 was MYR0.6515. During the period under review, the Fund has declared a total gross income distribution of MYR0.0204 per unit.

Since commencement, the Fund has registered a return of 34.80% compared to the benchmark return of 19.44%, outperforming by 15.36%.

Table 1: Performance of the Fund

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(7.23%)</b>	<b>15.66%</b>	<b>17.66%</b>	<b>34.80%</b>
<b>Benchmark</b>	<b>(12.02%)</b>	<b>0.80%</b>	<b>4.21%</b>	<b>19.44%</b>
<b>Outperformance</b>	<b>4.79%</b>	<b>14.86%</b>	<b>13.45%</b>	<b>15.36%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(7.23%)</b>	<b>4.96%</b>	<b>3.30%</b>	<b>4.56%</b>
<b>Benchmark</b>	<b>(12.02%)</b>	<b>0.27%</b>	<b>0.83%</b>	<b>2.69%</b>
<b>Outperformance</b>	<b>4.79%</b>	<b>4.69%</b>	<b>2.47%</b>	<b>1.87%</b>

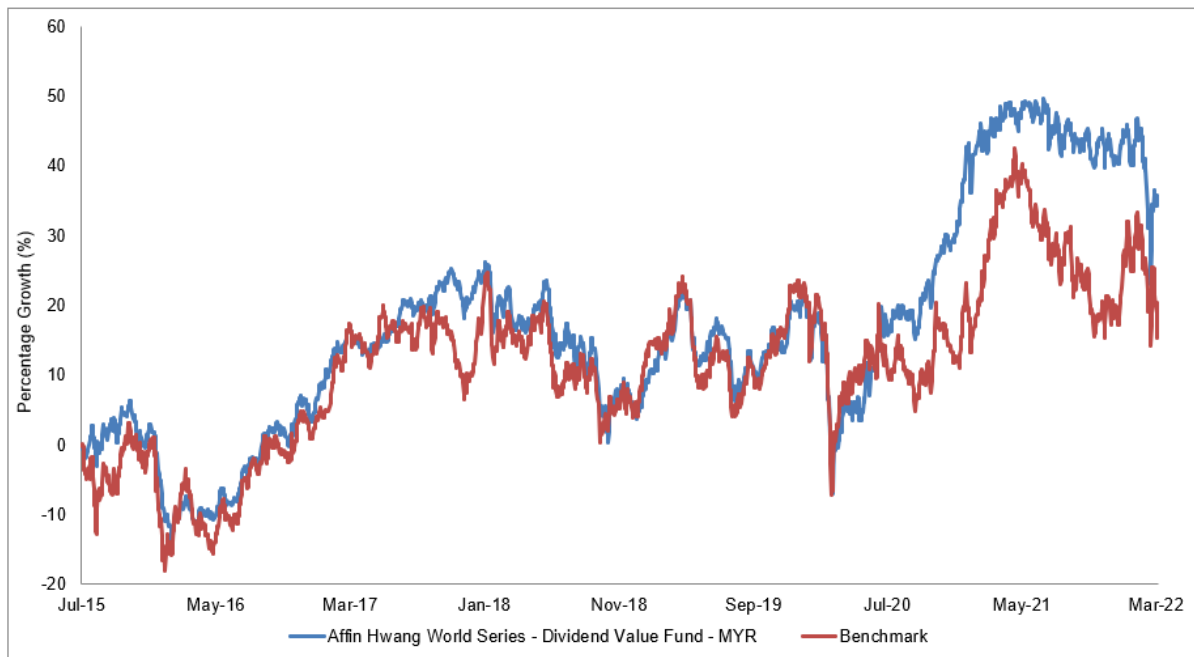
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022</b> (1/4/21 - 31/3/22)	<b>FYE 2021</b> (1/4/20 - 31/3/21)	<b>FYE 2020</b> (1/4/19 - 31/3/20)	<b>FYE 2019</b> (1/4/18 - 31/3/19)	<b>FYE 2018</b> (1/4/17 - 31/3/18)
<b>Fund</b>	<b>(7.23%)</b>	<b>45.06%</b>	<b>(14.05%)</b>	<b>(0.41%)</b>	<b>2.15%</b>
<b>Benchmark</b>	<b>(12.02%)</b>	<b>32.98%</b>	<b>(13.84%)</b>	<b>2.66%</b>	<b>0.70%</b>
<b>Outperformance</b>	<b>4.79%</b>	<b>12.08%</b>	<b>(0.21%)</b>	<b>(3.07%)</b>	<b>1.45%</b>

Source of Benchmark: Bloomberg

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



### **SGD Class**

For the period 1 April 2021 to 31 March 2022, the Fund registered a -7.90% return compared to the benchmark return of -12.72%. The Fund thus outperformed the Benchmark by 4.82%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2022 was SGD0.5251 while the NAV as at 31 March 2021 was SGD0.5891. During the period under review, the Fund has declared a total gross income distribution of SGD0.0187 per unit.

Since commencement, the Fund has registered a return of 22.16% compared to the benchmark return of 7.08%, outperforming by 15.08%.

Table 1: Performance of the Fund

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(7.90%)</b>	<b>12.20%</b>	<b>21.10%</b>	<b>22.16%</b>
<b>Benchmark</b>	<b>(12.72%)</b>	<b>(2.37%)</b>	<b>6.19%</b>	<b>7.08%</b>
<b>Outperformance</b>	<b>4.82%</b>	<b>14.57%</b>	<b>14.91%</b>	<b>15.08%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/15 - 31/3/22)
<b>Fund</b>	<b>(7.90%)</b>	<b>3.91%</b>	<b>3.90%</b>	<b>3.03%</b>
<b>Benchmark</b>	<b>(12.72%)</b>	<b>(0.80%)</b>	<b>1.21%</b>	<b>1.03%</b>
<b>Outperformance</b>	<b>4.82%</b>	<b>4.71%</b>	<b>2.69%</b>	<b>2.00%</b>

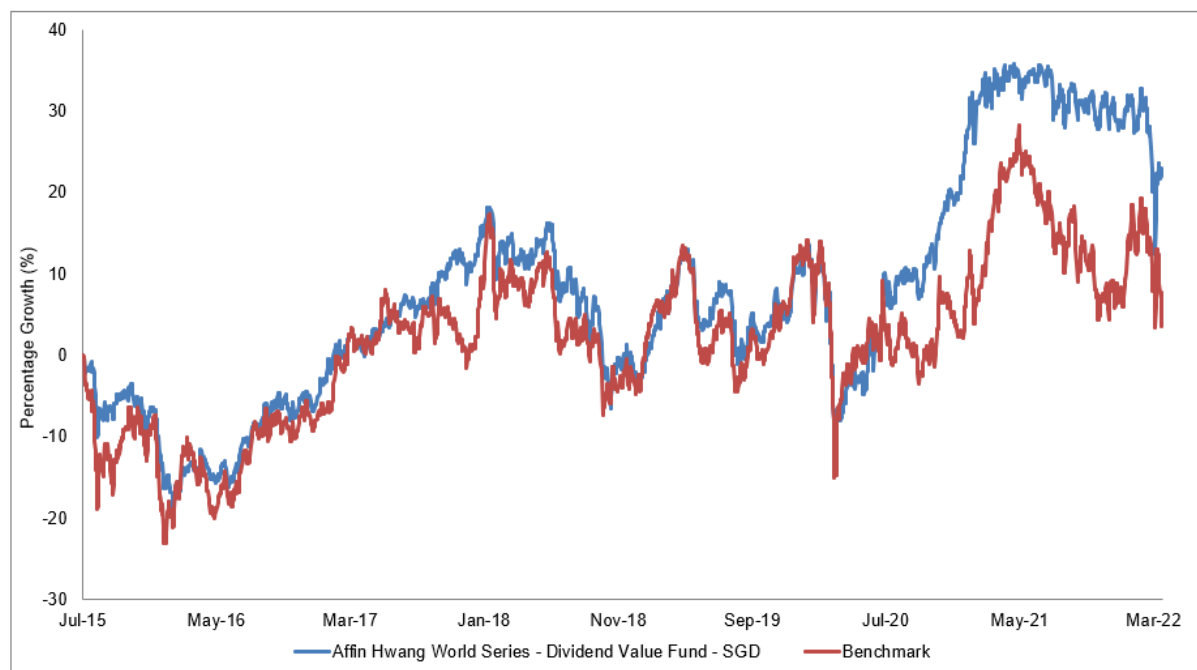
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022</b> (1/4/21 - 31/3/22)	<b>FYE 2021</b> (1/4/20 - 31/3/21)	<b>FYE 2020</b> (1/4/19 - 31/3/20)	<b>FYE 2019</b> (1/4/18 - 31/3/19)	<b>FYE 2018</b> (1/4/17 - 31/3/18)
<b>Fund</b>	<b>(7.90%)</b>	<b>42.26%</b>	<b>(14.38%)</b>	<b>(2.50%)</b>	<b>10.71%</b>
<b>Benchmark</b>	<b>(12.72%)</b>	<b>30.64%</b>	<b>(14.38%)</b>	<b>0.43%</b>	<b>8.31%</b>
<b>Outperformance</b>	<b>4.82%</b>	<b>11.62%</b>	<b>0.00%</b>	<b>(2.93%)</b>	<b>2.40%</b>

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 2022, the asset allocation of the Fund's exposure to the collective investment scheme stood at 94.98% of the Fund's NAV, while the balance was held in cash and cash equivalent.

### **Strategies Employed**

The Target Fund outperformed as of end March 2022, returning -5.2% vs the benchmark of -8.0%. The outperformance was mainly due to sector allocation, of which the Fund displays an underweight in IT due to overall weakened demand and an overweight in Industrials due to supportive policies on China infrastructure investments.

In terms of portfolio changes, the Fund had increased allocation into Guangdong Investment Limited, a Chinese company engaged in property, infrastructure, energy and water supply across China, whilst reducing allocation in China Resources Land.

The Fund maintains a preference for Industrials i.e., property developers, contractors, energy, and Financial sectors, i.e., China insurance, banks, financial leasing etc. on better growth prospects and higher dividends.

In short, the Fund believes that volatility will persist in the short term, however, remains comfortable in their strategy of investing in stable and cyclical high- yield stocks across key Asian markets.

### **Market Review**

At the start of 2021, global equities started on a strong note due to policy easing and optimism surrounding vaccination rollout. However, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook.

The S&P 500 index pierced new highs in the year underpinned by strong earnings rebound as businesses clambered to meet renewed demand. However, although markets were initially soothed by dovish comments from the US Federal Reserve, a change in tone by the Fed to a more hawkish stance spooked markets as the S&P 500 closed 1.3% lower at the end of the year.

With inflation proving to be stickier than expected, the Fed signalled that it would start accelerating its tapering programme of bond purchases to tame inflation, paving the way for 3 rate hikes in 2022.

Meanwhile in Asia, the broader MSCI Asia ex-Japan index ended the year down as the region reeled from the Delta variant that led to fresh lockdowns being imposed and a surge in hospitalization rates. The same trend can be seen continuing through the first quarter of 2022 as weak earnings and renewed delisting fears halted gains. US-listed Chinese companies are locked in a dispute with US regulators for not complying with US accounting and transparency guidelines.

On the domestic front, the local market mirrored regional losses with the benchmark KLCI closing lower in the year. A myriad of concerns sent the stock market on a volatile path. Although the KLCI rose 0.8% in the first quarter of 2022 buoyed by the slated international border reopening, tightening monetary conditions can cause further volatility.

Following the announcement of Prime Minister Datuk Seri Ismail Sabri Yaakob that the minimum wage could be increased to RM1,500 starting in May, sectors that are reliant on low-skilled labour could be vulnerable to higher labour costs.

Other notable news in March 2022 includes an announcement by the government to allow a special Employees Provident Fund (“EPF”) withdrawal of up to RM10,000. This is the fourth round of withdrawal of EPF contribution since the pandemic first hit the country back in 2020. In addition to the EPF withdrawals, a hawkish FOMC meeting saw the local bond market traded cautiously for the most part with yields trending slightly higher.

The local bond market endured a relatively softer session at the end of 1Q2022 amid evident selling pressures from foreign investors as well as tighter liquidity conditions in general. On a week-on-week basis, MGS yields rose by some 7-8 bps across the curve.

### **Investment Outlook**

Overall we believe volatility will remain in the short term with geopolitical risks creating uncertainty for the market. However, the current investment landscape has also created bottom up opportunities, where industry and company performance will diverge, especially in China, where we continue to overweight.

While we remain cautious when assessing the impact of the COVID 19 recovery, we also believe that the government's pro-growth stance should eventually boost market sentiment, even though it takes time for monetary and fiscal actions to be reflected in the economy.

In the current macro backdrop, we continue to maintain a dynamic allocation to stable and cyclical high yield stocks and continue to favor value leaning exposures.

### **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 2022. 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 2022 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 2022

**AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

# **AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		822,680	1,214,426
Interest income from financial assets at amortised cost		340	1,877
Net (loss)/gain on foreign currency exchange		(5,236)	10,575
Net (loss)/gain on financial assets at fair value through profit or loss	9	(2,332,127)	11,217,984
		<u>(1,514,343)</u>	<u>12,444,862</u>
<b>EXPENSES</b>			
Management fee	4	(367,288)	(463,878)
Trustee fee	5	(8,910)	(11,340)
Fund accounting fee	6	(6,706)	(7,435)
Auditors' remuneration		(1,930)	(1,836)
Tax agent's fee		-	(803)
Other expenses		(5,462)	(12,967)
		<u>(390,296)</u>	<u>(498,259)</u>
<b>NET (LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION</b>		(1,904,639)	11,946,603
<b>FINANCE COST</b>			
Distributions	7	(722,478)	(810,832)
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(2,627,117)	11,135,771
Taxation	8	(1,679)	-
<b>(DECREASE)/ INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>(2,628,796)</u>	<u>11,135,771</u>
(Decrease)/Increase in net asset attributable to unitholders is made up of the following:			
Realised amount		326,001	(722,764)
Unrealised amount		(2,954,797)	11,858,535
		<u>(2,628,796)</u>	<u>11,135,771</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 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>ASSETS</b>			
Cash and cash equivalents		1,109,667	1,402,981
Amount due from broker		152,258	-
Amount due from Manager			
- creation of units		6,936	117,770
- management fee rebate receivable		20,502	24,721
Tax recoverable		3,085	-
Financial assets at fair value through profit or loss	9	19,318,351	22,984,971
<b>TOTAL ASSETS</b>		<u>20,610,799</u>	<u>24,530,443</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		28,741	34,515
- cancellation of units		235,755	92,354
Amount due to Trustee		697	837
Auditors' remuneration		2,101	1,957
Tax agent's fee		1,316	2,107
Other payables and accruals		3,594	3,350
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>272,204</u>	<u>135,120</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>20,338,595</u>	<u>24,395,323</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>20,338,595</u>	<u>24,395,323</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONTINUED)

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- AUD Class		6,174,855	7,961,461
- RM Class		7,704,448	8,367,774
- SGD Class		2,973,718	3,594,434
- USD Class		3,485,574	4,471,654
		<u>20,338,595</u>	<u>24,395,323</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- AUD Class	10 (a)	15,216,000	17,363,000
- RM Class	10 (b)	55,318,000	53,215,000
- SGD Class	10 (c)	7,665,000	8,201,000
- USD Class	10 (d)	6,550,000	7,438,000
		<u>84,749,000</u>	<u>86,217,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- AUD Class		0.4058	0.4585
- RM Class		0.1393	0.1572
- SGD Class		0.3880	0.4383
- USD Class		0.5321	0.6012
		<u>0.4058</u>	<u>0.6012</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD Class		AUD0.5422	AUD0.6017
- RM Class		RM0.5853	RM0.6515
- SGD Class		SGD0.5251	SGD0.5891
- USD Class		USD0.5321	USD0.6012
		<u>AUD0.5422</u>	<u>USD0.6012</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 2022

	<u>2022</u> USD	<u>2021</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	24,395,323	28,778,562
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	4,958,363	2,409,736
- AUD Class	1,267,093	1,129,165
- RM Class	2,388,174	591,658
- SGD Class	789,213	502,450
- USD Class	513,882	186,463
Creation of units arising from distributions	717,581	798,486
- AUD Class	221,893	226,197
- RM Class	251,659	273,417
- SGD Class	105,772	127,131
- USD Class	138,257	171,741
Cancellation of units	(7,103,875)	(18,727,232)
- AUD Class	(2,477,561)	(4,008,984)
- RM Class	(2,362,161)	(7,423,953)
- SGD Class	(1,130,816)	(3,183,833)
- USD Class	(1,133,337)	(4,110,462)
Net (decrease)/increase in net assets attributable to unitholders during the financial year	(2,628,796)	11,135,771
- AUD Class	(798,049)	3,047,163
- RM Class	(941,051)	4,083,456
- SGD Class	(384,850)	1,730,220
- USD Class	(504,846)	2,274,932
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u><u>20,338,595</u></u>	<u><u>24,395,323</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

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		3,720,000	17,442,779
Purchase of investments		(2,800,000)	(1,300,000)
Dividends received		822,680	1,214,426
Interest received		340	1,877
Management fee rebate received		266,454	346,044
Management fee paid		(373,062)	(473,816)
Trustee fee paid		(9,050)	(11,581)
Payment for other fees and expenses		(14,501)	(23,898)
Net realised loss on foreign currency exchange		(5,040)	(1,247)
Tax paid		(4,764)	-
		<hr/>	<hr/>
Net cash flows generated from operating activities		1,603,057	17,194,584
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		5,069,196	2,295,088
Payments for cancellation of units		(6,960,474)	(19,438,043)
Payments for distributions		(4,897)	(12,346)
		<hr/>	<hr/>
Net cash flows used in financing activities		(1,896,175)	(17,155,301)
		<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(293,118)	39,283
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(196)	11,822
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>		1,402,981	1,351,876
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		1,109,667	1,402,981
		<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 31 March 2022 and 31 March 2021 comprise of bank balances.

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 2022**

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:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Funds to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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.

## **AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

- 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.

#### **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.

## **AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

#### **D TAXATION (CONTINUED)**

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.

#### **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.



## **AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

#### **G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

(i) Classification (continued)

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

The Fund classifies cash and cash equivalents, amount due from broker 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 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 2022 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month 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 2022 (CONTINUED)**

#### **H CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances 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 unitholders exercise the right to put back the unit to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to 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 2022 (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) The Fund's sole investment is in a collective investment scheme denominated in USD.
- ii) Significant portion of cash is denominated in USD for the purpose of making settlement of the foreign trades.
- iii) 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 2022**

#### **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 2022.

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,109,667	-	1,109,667
Amount due from broker		152,258	-	152,258
Amount due from Manager				
- creation of units		6,936	-	6,936
- management fee rebate receivable		20,502	-	20,502
Collective investment scheme	9	-	19,318,351	19,318,351
		<u>1,289,363</u>	<u>19,318,351</u>	<u>20,607,714</u>
Total		<u>1,289,363</u>	<u>19,318,351</u>	<u>20,607,714</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		28,741	-	28,741
- cancellation of units		235,755	-	235,755
Amount due to Trustee		697	-	697
Auditors' remuneration		2,101	-	2,101
Tax agent's fee		1,316	-	1,316
Other payables and accruals		3,594	-	3,594
		<u>272,204</u>	<u>-</u>	<u>272,204</u>
Total		<u>272,204</u>	<u>-</u>	<u>272,204</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		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
		<u>1,545,472</u>	<u>22,984,971</u>	<u>24,530,443</u>
Total		<u>1,545,472</u>	<u>22,984,971</u>	<u>24,530,443</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2021</u> (continued)				
<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>

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 2022 (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>2022</u> USD	<u>2021</u> USD
Collective investment scheme	19,318,351	22,984,971

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 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	Impact on (loss)/profit after <u>tax/NAV</u> USD
<u>2022</u>		
-4%	18,545,617	(772,734)
0%	19,318,351	-
+4%	20,091,085	772,734
<u>2021</u>		
-10%	20,686,474	(2,298,497)
0%	22,984,971	-
+10%	25,283,468	2,298,497

##### (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 carrying value of 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 2022 (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	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2022</u>			
<u>Financial assets</u>			
Australian Dollar	3,827	-	3,827
Malaysian Ringgit	16,514	6,936	23,450
Singapore Dollar	2,858	-	2,858
	<u>23,199</u>	<u>6,936</u>	<u>30,135</u>
		Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>			
Australian Dollar	-	6,174,855	6,174,855
Malaysian Ringgit	17,883	7,704,448	7,722,331
Singapore Dollar	-	2,973,718	2,973,718
	<u>17,883</u>	<u>16,853,021</u>	<u>16,870,904</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (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)

	<u>Cash and cash equivalents</u> USD	Amount due from <u>Manager</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>
		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	28,618	8,367,774	8,396,392
Singapore Dollar	47,316	3,594,434	3,641,750
	<u>75,934</u>	<u>19,923,669</u>	<u>19,999,603</u>

\*\*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 2022 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's (loss)/profit after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables 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 (loss)/profit after tax/ NAV USD
<u>2022</u>		
Australian Dollar	+/- 8.82	-/+ 543,673
Malaysian Ringgit	+/- 3.04	-/+ 234,257
Singapore Dollar	+/- 3.78	-/+ 112,299
<u>2021</u>		
Australian Dollar	+/- 13.75	-/+ 1,078,158
Malaysian Ringgit	+/- 6.12	-/+ 511,869
Singapore Dollar	+/- 5.48	-/+ 198,369

##### 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 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 2022 (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 <u>one month</u> USD	Between one month <u>to one year</u> USD	<u>Total</u> USD
<u>2022</u>			
Amount due to Manager			
- management fees	28,741	-	28,741
- cancellation of units	235,755	-	235,755
Amount due to Trustee	697	-	697
Auditors' remuneration	-	2,101	2,101
Tax agent fee	-	1,316	1,316
Other payables and accruals	-	3,594	3,594
Net assets attributable to unitholders*	20,338,595	-	20,338,595
	<u>20,603,788</u>	<u>7,011</u>	<u>20,610,799</u>
<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>

\*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 2022 (CONTINUED)

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

##### Credit risk (continued)

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

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

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

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

	Cash and cash equivalents USD	Other assets* USD	Total USD
<u>2022</u>			
Financial services			
- AA1	1,109,667	-	1,109,667
Others			
- NR	-	179,696	179,696
	1,109,667	179,696	1,289,363
	1,109,667	179,696	1,289,363
<u>2021</u>			
Financial services			
- AA1	1,402,981	-	1,402,981
Others			
- NR	-	142,491	142,491
	1,402,981	142,491	1,545,472
	1,402,981	142,491	1,545,472

\* Other assets consist of amount due from broker 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 2022 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

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

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

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

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

#### 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>2022</u>				
Financial assets at fair value through profit or loss - collective investment scheme	19,318,351	-	-	19,318,351

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (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>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

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 broker, 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 2022, the management fee is recognised at a rate of 1.65% (2021: 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 2022, the Trustee's fee is recognised at a rate of 0.04% (2021: 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 2022 (CONTINUED)

#### 6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM28,000 (equivalent to: USD6,706) per annum.

#### 7 DISTRIBUTIONS

	<u>2022</u> USD	<u>2021</u> USD
Distributions to unitholders is from the following sources:		
Dividend income	722,478	213,603
Prior years' realised income	-	597,884
	<hr/>	<hr/>
Gross realised income	722,478	811,487
Less: Expenses	-	(655)
	<hr/>	<hr/>
Net distribution amount	<u>722,478</u>	<u>810,832</u>

	<u>Gross/Net distribution per unit (sen)</u>			
	<u>AUD Class</u> AUD	<u>RM Class</u> RM	<u>SGD Class</u> SGD	<u>USD Class</u> USD
<u>2022</u>				
21.04.2021	0.14	0.17	0.14	0.14
19.05.2021	0.17	0.17	0.17	0.17
16.06.2021	0.17	0.17	0.16	0.17
21.07.2021	0.17	0.17	0.15	0.15
18.08.2021	0.17	0.17	0.17	0.17
20.09.2021	0.17	0.17	0.15	0.15
20.10.2021	0.17	0.17	0.17	0.17
17.11.2021	0.17	0.17	0.17	0.17
15.12.2021	0.17	0.17	0.17	0.17
19.01.2022	0.17	0.17	0.17	0.17
16.02.2022	0.14	0.17	0.08	0.10
16.03.2022	0.17	0.17	0.17	0.17
	<hr/>	<hr/>	<hr/>	<hr/>
	1.98	2.04	1.87	1.90
	<hr/>	<hr/>	<hr/>	<hr/>
<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
	<hr/>	<hr/>	<hr/>	<hr/>
	1.51	1.51	1.51	1.51
	<hr/>	<hr/>	<hr/>	<hr/>



## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 7 DISTRIBUTIONS (CONTINUED)

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

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

There are unrealised losses of USD2,954,797 (2021: USDNil) for the financial year ended 31 March 2022.

#### 8 TAXATION

	<u>2022</u> USD	<u>2021</u> USD
Current taxation	1,679	-

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>2022</u> USD	<u>2021</u> USD
Net (loss)/profit before taxation	(1,904,639)	11,946,603
Tax at Malaysian statutory rate of 24% (2021: 24%)	(457,113)	2,867,185
Tax effects of:		
Investment loss not brought to tax/(Investment income not subject to tax)	363,442	(2,986,767)
Expenses not deductible for tax purposes	67,879	88,778
Restriction on tax deductible expenses for Wholesale Funds	25,792	30,804
Foreign income subject to different tax rate	1,679	-
Tax expense	1,679	-

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	19,318,351	22,984,971
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	360,240	(967,009)
- unrealised (loss)/gain on changes in fair value	(2,954,601)	11,846,713
- management fee rebate on collective investment scheme #	262,234	338,280
	<u>(2,332,127)</u>	<u>11,217,984</u>

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

(a) Collective investment scheme

(i) Collective investment scheme as at 31 March 2022 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	1,727,938	19,718,909	19,318,351	94.98
Total collective investment scheme	<u>1,727,938</u>	19,718,909	<u>19,318,351</u>	<u>94.98</u>
Accumulated unrealised loss on collective investment scheme		(400,558)		
Total collective investment scheme		<u>19,318,351</u>		

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

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

(a) Collective investment scheme (continued)

(ii) 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	<u>1,806,995</u>	<u>20,430,928</u>	<u>22,984,971</u>	<u>94.22</u>
Accumulated unrealised gain on collective investment scheme		<u>2,554,043</u>		
Total collective investment scheme		<u><u>22,984,971</u></u>		

(b) Target fund top 10 holdings

(i) The Target fund's top 10 holdings as at 31 March 2022 is as follows:

	<u>Percentage of target fund NAV %</u>
Taiwan Semiconductor Manufacturing Co Ltd	6.20
China Telecom Corp Ltd	5.80
Samsung Electronics Co Ltd	5.60
China Construction Bank Corp	3.30
China State Construction International Holdings Ltd	3.10
MediaTek Inc	2.40
Far East Horizon Ltd	2.20
Sinopharm Group Co Ltd	2.20
Guangdong Investment Ltd	2.10
HKBN Ltd	2.10
Total	<u><u>35.00</u></u>

## AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

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

(b) Target fund top 10 holdings (continued)

(ii) The Target fund's top 10 holdings as at 31 March 2021 is as follows:

	<u>Percentage of target fund NAV</u> %
Samsung Electronics Co Ltd	7.90
Taiwan Semiconductor Manufacturing Co Ltd	6.40
China Construction Bank Corp	4.90
China Yongda Automobiles Services Holdings Ltd	3.50
China Resources Land Ltd	2.50
China Telecom Corp Ltd	2.40
Korea Investment Holdings Co Ltd	2.40
Pinduoduo Inc	2.40
CIFI Holdings (Group) Co Ltd	2.30
Tencent Holdings Ltd	2.10
Total	<u>36.80</u>

#### 10 NUMBER OF UNITS IN CIRCULATION

(a) AUD class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	17,363,000	24,262,000
Creation of units arising from applications	2,846,194	2,759,130
Creation of units arising from distributions	500,133	581,796
Cancellation of units	(5,493,327)	(10,239,926)
At the end of the financial year	<u>15,216,000</u>	<u>17,363,000</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

##### (b) RM class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year	53,215,000	101,475,000
Creation of units arising from applications	15,803,215	4,473,298
Creation of units arising from distributions	1,655,549	2,087,582
Cancellation of units	(15,355,764)	(54,820,880)
At the end of the financial year	<u>55,318,000</u>	<u>53,215,000</u>

##### (c) SGD class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year	8,201,000	14,797,000
Creation of units arising from applications	1,860,325	1,239,261
Creation of units arising from distributions	249,884	345,960
Cancellation of units	(2,646,209)	(8,181,221)
At the end of the financial year	<u>7,665,000</u>	<u>8,201,000</u>

##### (d) USD class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year	7,438,000	14,527,000
Creation of units arising from applications	870,754	312,128
Creation of units arising from distributions	237,929	344,517
Cancellation of units	(1,996,683)	(7,745,645)
At the end of the financial year	<u>6,550,000</u>	<u>7,438,000</u>

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKER

(i) Details of transaction with broker for the financial year ended 31 March 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
HSBC Limited (HK)	6,672,259	100.00

(ii) 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>

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

#### 12 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
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 12 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>2022</u>		<u>2021</u>	
<u>The Manager:</u>	No. of units	USD	No. of units	USD
Affin Hwang Asset Management Bhd (The units are held legally for booking purpose)				
- AUD Class	2,487	1,009	3,343	1,533
- RM Class	3,643	507	3,726	586
- SGD Class	3,764	1,461	2,683	1,176
- USD Class	3,576	1,903	2,565	1,542
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 13 TOTAL EXPENSE RATIO (“MER”)

	<u>2022</u>	<u>2021</u>
	%	%
TER	1.75	1.76
	<u>          </u>	<u>          </u>

TER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors’ remuneration
E	=	Tax agent’s fee
F	=	Other expenses
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 USD22,274,087 (2021: USD28,335,636).

## AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)

#### 14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2022</u>	<u>2021</u>
PTR (times)	0.14	0.35

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 = USD2,800,000 (2021: USD1,300,000)  
total disposal for the financial year = USD3,512,017 (2021: USD18,409,788)

#### 15 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 - 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 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 March 2022 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 2022

## 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 2022, 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 2022, 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 2022

## **DIRECTORY OF SALES OFFICE**

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