Affin Hwang World Series -
Global Sustainability Fund

Quarterly Report
31 March 2022

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

AFFIN HWANG
CAPITAL

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

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG WORLD SERIES – GLOBAL SUSTAINABILITY FUND

Quarterly Report and Financial Statements
As at 31 March 2022

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Sustainability 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 Sustainability World Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

FUND PERFORMANCE DATA

MYR Hedged-Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	265.194	279.467
NAV per Unit (RM)	0.6066	0.6543
Unit in Circulation (million)	437.152	427.137

SGD Hedged-Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	12.239	12.587
NAV per Unit (SGD)	0.5844	0.6344
Unit in Circulation (million)	20.944	19.839

AUD Hedged-Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	15.760	0.731
NAV per Unit (AUD)	0.5759	0.5667
Unit in Circulation (million)	27.368	1.291

USD Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	15.695	16.785
NAV per Unit (USD)	0.5963	0.6461
Unit in Circulation (million)	26.320	25.979

USD Class

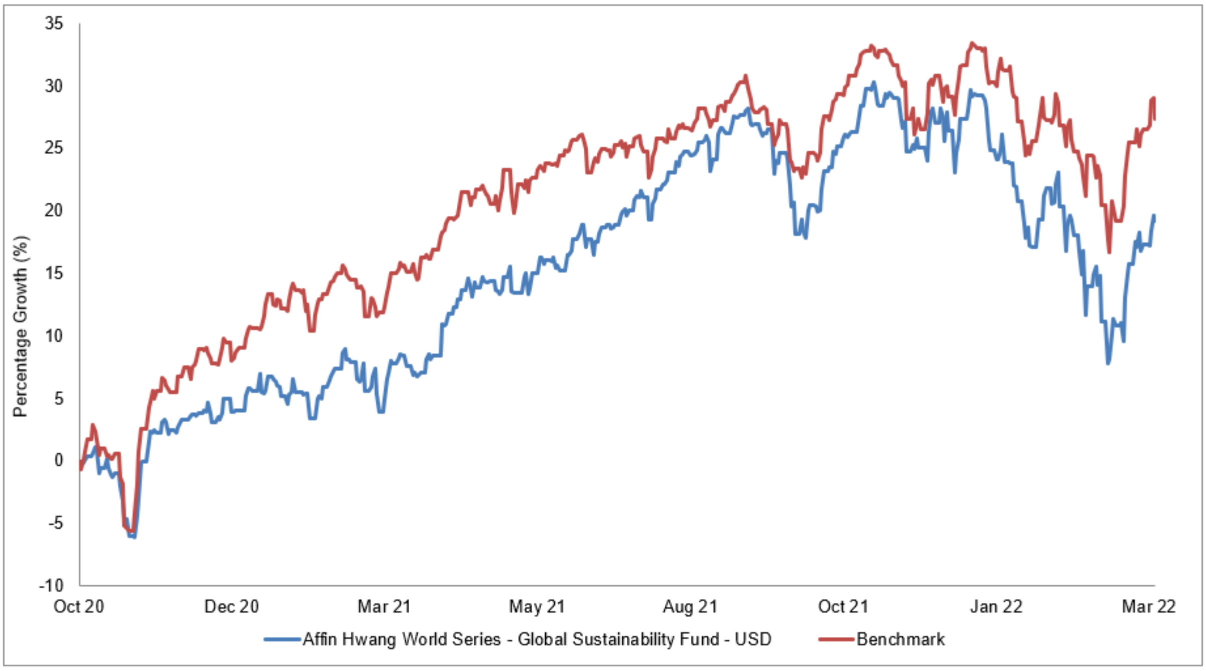
Performance as at 31 March 2022

USD Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	Since Commencement (6/10/20 - 31/3/22)
Fund	**(7.71%)**	**(1.18%)**	**10.30%**	**19.26%**
Benchmark	**(4.26%)**	**3.38%**	**9.70%**	**27.41%**
Outperformance	**(3.45%)**	**(4.56%)**	**0.60%**	**(8.15%)**

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark

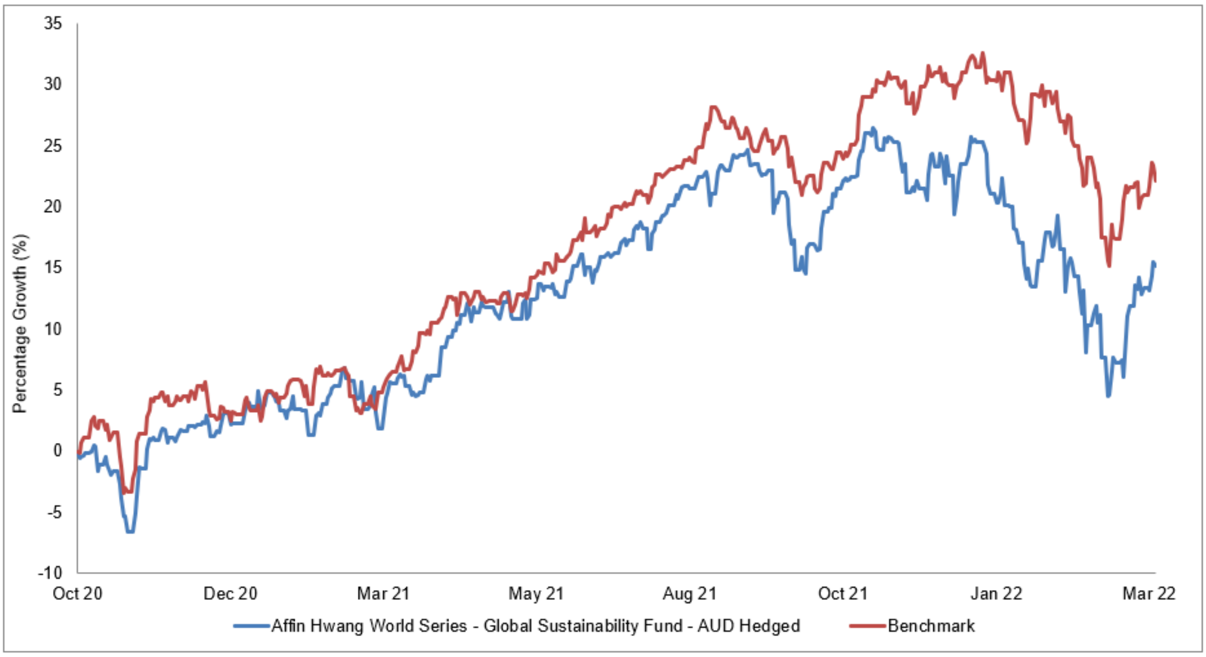


AUD Hedged-Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	Since Commencement (6/10/20 - 31/3/22)
Fund	**(8.08%)**	**(1.77%)**	**8.85%**	**15.18%**
Benchmark	**(7.05%)**	**(0.53%)**	**11.47%**	**22.14%**
Outperformance	**(1.03%)**	**(1.24%)**	**(2.62%)**	**(6.96%)**

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



MYR Hedged-Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	Since Commencement (6/10/20 - 31/3/22)
Fund	**(7.29%)**	**(0.44%)**	**11.69%**	**21.32%**
Benchmark	**(3.02%)**	**3.99%**	**11.43%**	**29.22%**
Outperformance	**(4.27%)**	**(4.43%)**	**0.26%**	**(7.90%)**

Source of Benchmark: Bloomberg

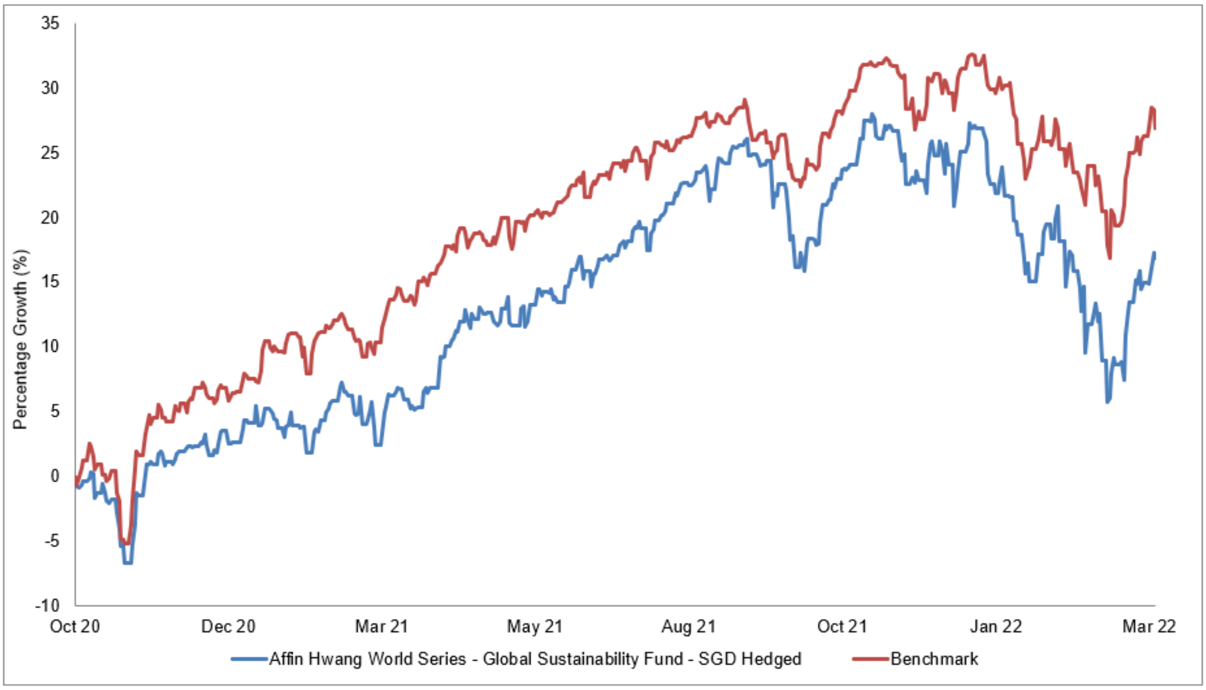
Movement of the Fund versus the Benchmark

SGD Hedged-Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	Since Commencement (6/10/20 - 31/3/22)
Fund	**(7.88%)**	**(1.47%)**	**9.79%**	**16.88%**
Benchmark	**(3.77%)**	**3.02%**	**10.55%**	**26.86%**
Outperformance	**(4.11%)**	**(4.49%)**	**(0.76%)**	**(9.98%)**

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



"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 Sustainability World Index

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

Asset Allocation

Fund's asset mix during the period under review:

	31 March 2022
	(%)
Unit Trust	98.19
Derivative	0.38
Cash & money market	1.43
Total	**100.00**

Strategies Employed

Over the last quarter, we initiated several new positions. In January, we initiated a new position in a global provider of ingredients and solutions for the food, beverage and industrial markets. The company is currently undergoing a transformation, selling its low-growth, low-margin bulk business in order to focus on its higher-margin, higher-growth specialist ingredients division. Over the next five years, management expects the latter to deliver topline revenue growth of between 4-6%, while operating margins should grow between 50-100 basis points (bps) from a base of around 12.5-13%. The demerger has unduly weighed on the share price, with the result that the shares are overly discounting the company's future growth potential.

We also initiated a position in a payments company. Shares in the company derated significantly following weaker-than-expected financial results, as it announced that it would be prioritising revenue per account over account growth. While markets reacted adversely, we believe this strategy should be beneficial in longer term, particularly given its focus on ecommerce growth and migration to its new all-in app. The company has grown revenue at a compound annual growth rate (CAGR) of 20% over the past decade and momentum is still strong. In the complex world of global payments, the company is at the forefront of innovation with a digital wallet and one of the most downloaded financial apps in most countries.

Given the increased imperative to catalyse the energy transition for not only sustainability but resilience purposes, we have increased our exposure to the best-in-class yet often overlooked enablers of electrification. As a result, we initiated positions in an aluminium and renewable energy company, an engineering group, a steel company and an industrial gas company. These companies are beneficiaries of tightening commodity markets and leaders in reducing both their own operational carbon footprints but, more importantly, in advancing their clients' decarbonisation efforts via their superior product offering (their sustainability "handprint").

We exited our position in a Hong Kong-based provider of insurance and related financial services. Shares in the company had recovered strongly following the initial COVID-19 pandemic, but have steadily weakened as China continues to pursue its zero COVID policy. While the company is a pioneer in digital marketing and sales, much of its salesforce is reliant on physical interaction. Moreover, our original investment case was predicated on the company's ability to generate growth over and above the rate of economic expansion in China and the surrounding area. The underlying conditions for this growth are looking increasingly less secure and, with higher conviction opportunities available elsewhere, we opted to sell the holding.

Market Review

Global equities retreated sharply over the quarter as accelerating inflation heightened concerns that central banks would need to be more aggressive in raising interest rates. These fears were further compounded when Russia invaded Ukraine, driving a steep rally in commodity prices as wide-ranging sanctions sparked worries of further supply chain disruptions. US shares initially led the decline as "new technology" stocks were hit by fears of higher rates before the brunt of the sell-off switched to Europe in February. By mid-March, global stocks were firmly in correction territory, having fallen around 15% since the start of the year, before a late-month rally helped to reduce these losses to around 5% (MSCI ACWI).

Headline rates of inflation surged to multi-decade highs and developed market central banks responded. In March, the US Federal Reserve (Fed) raised rates for the first time since 2018 and forecast six further rate rises in 2022. The Bank of England (BoE) increased rates twice during the quarter. While the European Central Bank (ECB) kept rates on hold, it scaled back its bond-buying programme, warning that inflation risks were now "tilted to the upside". The Bank of Japan (BoJ) maintained its dovish stance but noted that inflation risks are now "balanced" rather than "skewed to the downside".

Most sectors declined over the quarter. Popular growth stocks in the Technology, Communication Services and Consumer Discretionary sectors fell the most as investors rotated into value shares. Meanwhile, Energy companies soared along with oil and natural gas prices. The Materials sector also withstood the broader market sell-off as sanctions hit the supply of certain Russian-produced industrial metals.

Commodity prices rose as expectations viewed sanctions against Russia causing severe supply disruption. Oil rallied further. Brent crude briefly touched a 14-year high, although prices later retreated as the United Arab

Emirates (UAE) encouraged fellow members of the Organization of the Petroleum Exporting Countries (OPEC) to increase production and the US announced it would release oil from its emergency reserves. Other commodities where Russia had been a key producer, such as nickel, zinc and aluminium, climbed, as did fertiliser prices, adding to the upward pressure on food prices.

Investment outlook

While the initial shock of Russia's invasion of Ukraine has now passed, each day brings new stories of human suffering and courageous defiance. As the conflict becomes more and more drawn out, the clearest outcome at this stage is the unified response from Europe, the US and other NATO-aligned countries. Financial markets are similarly moving beyond the immediate impact.

Sanctions on Russia have made the country all but un-investable, and large multinationals which previously had a presence in the region are clarifying how their operations look without it. As nations seek to make alternative arrangements, some of the sharpest price rises in commodities like oil have pulled back, albeit modestly. Investors are now being forced to consider the conflict's long-term implications.

Inflation was already front of mind before the conflict erupted. Further supply chain disruption will sustain price rises which are beginning to have knock-on economic effects. As real wages are squeezed, and disposable income is reoriented to essentials like food and heating, the result will likely be slower economic growth. Some consumers may prove more resilient than others, thanks to a backlog of pandemic savings, but in time these too will dwindle.

The conflict is also likely to engender new trends, as well as accelerating existing ones. Germany's pledge to increase defence spending has struck a chord across many other countries that were demilitarising. This in turn has forced asset managers to reflect on the sector's place within a "sustainable" investment universe. And if the energy transition, along with food, commodity and technology security, were already relevant themes in an increasingly deglobalised world, the conflict has made them only more so.

Perversely, some of our weakest performers are lagging precisely due to the strength of their business models in the face of COVID-19. Valuations in the likes of Adobe (creative software) and the aforementioned tax and accounting software company, which proved highly resilient through 2020 and 2021, are softening despite robust fundamentals. Conversely, stronger performers are portfolio companies with clearer links to immediate concerns, such as helping consumers and businesses cut costs (a Canadian dollar store retail chain; and a compressor manufacturer), supporting the energy transition (a manufacturer of high-performance insulation and building envelope technologies; and a provider of door opening solutions), and enabling technology localisation (ASML; and a maker of microcontrollers).

It is one of our investment philosophy's key principles that identifying and investing in longer-term structural shifts can sustain meaningful growth that is less correlated with the global economy. When paired with demonstrable pricing power, we believe our high-quality businesses are well positioned to navigate this uncertain environment. This rotation, along with the still highly sentiment-driven market, is providing opportunities for us as bottom-up stockpickers with a much longer-time horizon.

AFFIN HWANG WORLD SERIES - GLOBAL SUSTAINABILITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Financial period ended 31.3.2022 USD	Financial period ended 31.3.2021 USD
INVESTMENT (LOSS)/INCOME		
Dividend income	-	7,524
Interest income from financial assets at amortised cost	1,194	902
Net gain/(loss) on foreign currency exchange	25,286	(25,878)
Net loss on forward foreign currency contracts at fair value through profit or loss	(41,221)	(775,765)
Net gain on financial assets at fair value through profit or loss	17,984	2,527,818
	3,243	1,734,601
EXPENSES		
Management fee	(1,222,567)	(292,246)
Trustee fee	(40,808)	(9,786)
Fund accounting fee	(2,505)	(1,150)
Auditors' remuneration	(1,254)	(5,886)
Tax agent's fee	(627)	(2,290)
Other expenses	(7,729)	(3,597)
	(1,275,490)	(314,955)
(LOSS)/PROFIT BEFORE TAXATION	(1,272,247)	1,419,646
Taxation	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	(1,272,247)	1,419,646
(Decrease)/Increase in net asset attributable to unitholders is made up of the following:		
Realised amount	(770,978)	248,932
Unrealised amount	(501,269)	1,170,714
	(1,272,247)	1,419,646

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	2022 USD	2021 USD
ASSETS		
Cash and cash equivalents	1,756,431	2,526,324
Amount due from Manager		
- creation of units	5,783	258,389
- management fee rebate receivable	119,589	75,200
Financial assets at fair value through profit or loss	97,833,829	62,584,683
Forward foreign currency contracts at fair value through profit or loss	501,693	4,846
TOTAL ASSETS	100,217,325	65,449,442
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	118,349	1,080,860
Amount due to broker		500,000
Amount due to Manager		
- management fee	145,985	95,542
- cancellation of units	308,597	185,647
Amount due to Trustee	4,866	3,185
Auditors' remuneration	1,488	5,886
Tax agent's fee	625	2,290
Other payables and accruals	258	575
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	580,168	1,873,985
NET ASSET VALUE OF THE FUND	99,637,157	63,575,457
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	99,637,157	63,575,457

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

	2022 USD	2021 USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	11,795,761	5,745,860
- MYR Hedged-class	63,103,942	44,447,500
- SGD Hedged-class	9,042,481	4,974,745
- USD Class	15,694,973	8,407,352
	99,637,157	63,575,457
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	27,368,000	14,250,000
- MYR Hedged-class	437,152,000	339,050,000
- SGD Hedged-class	20,944,000	12,560,000
- USD Class	26,320,000	15,552,000
	511,784,000	381,412,000
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.4310	0.4032
- MYR Hedged-class	0.1444	0.1311
- SGD Hedged-class	0.4317	0.3961
- USD Class	0.5963	0.5406
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.5759	AUD0.5291
- MYR Hedged-class	RM0.6066	RM0.5431
- SGD Hedged-class	SGD0.5844	SGD0.5323
- USD Class	USD0.5963	USD0.5406

AFFIN HWANG WORLD SERIES - GLOBAL SUSTAINABILITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Financial period ended 31.3.2022 USD	Financial period ended 31.3.2021 USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH	66,757,242	-
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	54,213,336	63,916,318
- AUD Hedged-class	8,534,628	5,926,239
- MYR Hedged-class	26,609,402	44,642,194
- SGD Hedged-class	7,333,370	5,128,244
- USD Class	11,735,936	8,219,641
Cancellation of units	(20,061,174)	(1,760,507)
- AUD Hedged-class	(3,619,456)	(436,489)
- MYR Hedged-class	(10,623,020)	(953,141)
- SGD Hedged-class	(2,577,164)	(264,666)
- USD Class	(3,241,534)	(106,211)
Net increase in net asset attributable to unitholders during the financial period	(1,272,247)	1,419,646
- AUD Hedged-class	(197,307)	256,110
- MYR Hedged-class	(475,449)	758,447
- SGD Hedged-class	(157,773)	111,167
- USD Class	(441,718)	293,922
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	99,637,157	63,575,457

www.affinhwangam.com

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