

ANNUAL REPORT
31 March 2023

Affin Hwang World Series – **European** **Unconstrained Fund**

MANAGER
AHAM Asset Management Berhad
*(Formerly known as Affin Hwang Asset
Management Berhad)*
199701014290 (429786-T)

TRUSTEE
Deutsche Trustees Malaysia Berhad
(763590-H)

AFFIN HWANG WORLD SERIES – EUROPEAN UNCONSTRAINED FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 March 2023

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FUND INFORMATION

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

FUND PERFORMANCE DATA

Category	As at 31 Mar 2023 (%)					As at 31 Mar 2022 (%)					As at 31 Mar 2021 (%)				
Portfolio composition															
Collective investment scheme	95.81					93.67					94.21				
Cash and cash equivalent	4.19					6.33					5.79				
Total	100.00					100.00					100.00				
Currency class	EUR Class	USD Hedged -class	AUD Hedged -class	MYR Hedged -class	SGD Hedged -class	EUR Class	USD Hedged -class	AUD Hedged -class	MYR Hedged -class	SGD Hedged -class	EUR Class	USD Hedged -class	AUD Hedged -class	MYR Hedged -class	SGD Hedged -class
Total NAV (million)	0.534	0.189	0.983	13.009	0.437	0.718	0.635	2.137	18.879	0.838	0.411	0.491	1.038	10.639	0.572
NAV per Unit (in respective currencies)	0.6004	0.7469	0.6613	0.7435	0.6931	0.6231	0.7613	0.6864	0.7597	0.7086	0.5912	0.7165	0.6473	0.7041	0.6694
Unit in Circulation (million)	0.889	0.253	1.487	17.497	0.631	1.153	0.834	3.114	24.850	1.183	0.696	0.685	1.604	15.110	0.854
Highest NAV	0.6313	0.7713	0.6941	0.7698	0.7175	0.6987	0.8495	0.7678	0.8437	0.7930	0.5957	0.7214	0.6527	0.7080	0.6745
Lowest NAV	0.5509	0.6762	0.6067	0.6795	0.631	0.5603	0.6845	0.6177	0.6818	0.6367	0.4436	0.5361	0.4875	0.5101	0.4997
Return of the Fund (%)	-3.64	-1.89	-3.66	-2.13	-2.19	5.40	6.25	6.04	7.90	5.86	30.68	31.04	30.22	33.13	31.36
- Capital Growth (%)	-3.64	-1.89	-3.66	-2.13	-2.19	5.40	6.25	6.04	7.90	5.86	30.68	31.04	30.22	33.13	31.36
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) ¹			1.95					1.98					2.07		
Portfolio Turnover Ratio (times) ²			0.27					0.52					0.45		

¹The lower MER of the Fund during the financial year was due to lower expenses incurred for the Fund during the financial year.

²The Fund's PTR was lower than previous year due to lower trading activities during the financial year.

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

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

An illustration of the above would be as follow:-

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

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 31 March 2023.

MANAGER'S REPORT

Performance Review

EUR Class

Performance Review (1 April 2022 to 31 March 2023)

For the period 1 April 2022 to 31 March 2023, the Fund registered a -3.64% return compared to the benchmark return of 1.11%. The Fund thus underperformed the Benchmark by -4.75%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2023 was EUR0.6004 while the NAV as at 31 March 2022 was EUR0.6231.

Since commencement, the Fund has registered a return of 20.08% compared to the benchmark return of 18.53%, outperforming by 1.55%.

Table 1: Performance of the Fund

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(3.64%)	32.71%	41.20%	20.08%
Benchmark	1.11%	43.26%	23.05%	18.53%
Outperformance	(4.75%)	(10.55%)	18.15%	1.55%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(3.64%)	9.89%	7.14%	2.52%
Benchmark	1.11%	12.73%	4.23%	2.34%
Outperformance	(4.75%)	(2.84%)	2.91%	0.18%

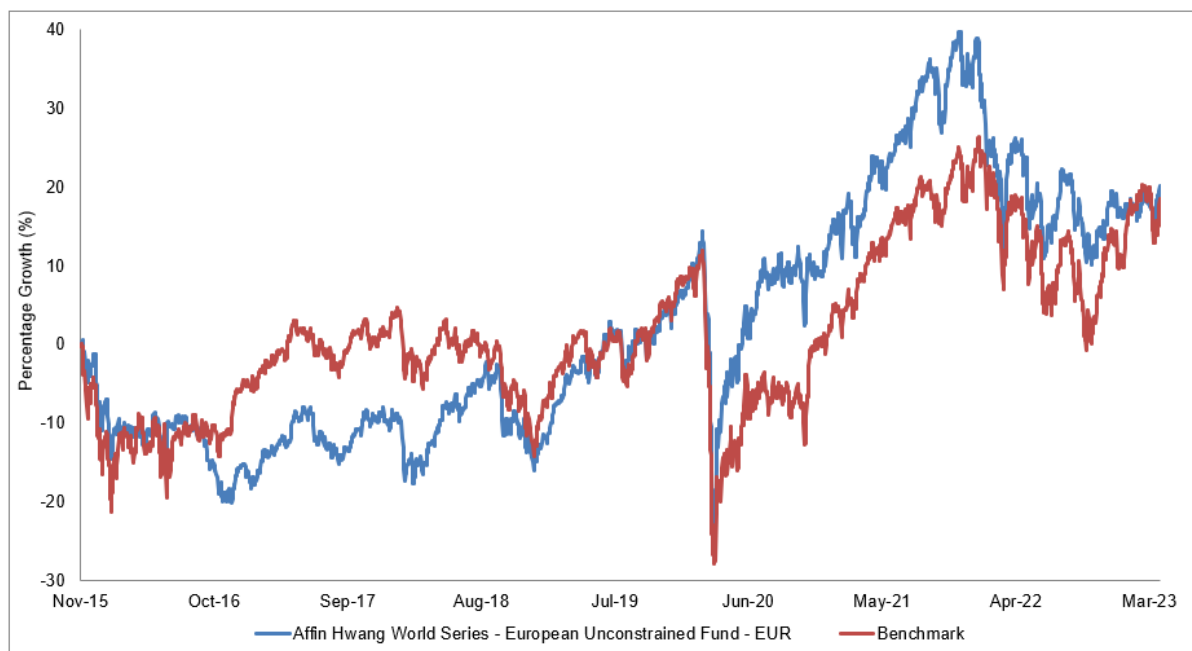
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/4/22 - 31/3/23)	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)
Fund	(3.64%)	5.40%	30.68%	(5.71%)	12.84%
Benchmark	1.11%	6.87%	32.58%	(16.05%)	2.32%
Outperformance	(4.75%)	(1.47%)	(1.90%)	10.34%	10.52%

Source of Benchmark: Bloomberg

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



AUD Hedged-class

Performance Review (1 April 2022 to 31 March 2023)

For the period 1 April 2022 to 31 March 2023, the Fund registered a -3.66% return compared to the benchmark return of 10.96%. The Fund thus underperformed the Benchmark by -14.62%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2023 was AUD0.6613 while the NAV as at 31 March 2022 was AUD0.6864.

Since commencement, the Fund has registered a return of 32.26% compared to the benchmark return of 31.11%, outperforming by 1.15%.

Table 1: Performance of the Fund

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(3.66%)	33.03%	43.92%	32.26%
Benchmark	10.96%	29.27%	24.48%	31.11%
Outperformance	(14.62%)	3.76%	19.44%	1.15%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(3.66%)	9.98%	7.55%	3.88%
Benchmark	10.96%	8.94%	4.47%	3.75%
Outperformance	(14.62%)	1.04%	3.08%	0.13%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/4/22 - 31/3/23)	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)
Fund	(3.66%)	6.04%	30.22%	(6.21%)	15.34%
Benchmark	10.96%	2.42%	13.75%	(4.53%)	0.86%
Outperformance	(14.62%)	3.62%	16.47%	(1.68%)	14.48%

Source of Benchmark: Bloomberg

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



MYR Hedged-class

Performance Review (1 April 2022 to 31 March 2023)

For the period 1 April 2022 to 31 March 2023, the Fund registered a -2.13% return compared to the benchmark return of 3.90%. The Fund thus underperformed the Benchmark by -6.03%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2023 was MYR0.7435 while the NAV as at 31 March 2022 was MYR0.7597.

Since commencement, the Fund has registered a return of 48.70% compared to the benchmark return of 26.94%, outperforming by 21.76%.

Table 1: Performance of the Fund

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(2.13%)	40.57%	58.12%	48.70%
Benchmark	3.90%	45.11%	23.99%	26.94%
Outperformance	(6.03%)	(4.54%)	34.13%	21.76%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(2.13%)	12.02%	9.59%	5.55%
Benchmark	3.90%	13.21%	4.39%	3.30%
Outperformance	(6.03%)	(1.19%)	5.20%	2.25%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/4/22 - 31/3/23)	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)
Fund	(2.13%)	7.90%	33.13%	(3.19%)	16.18%
Benchmark	3.90%	2.39%	36.41%	(13.21%)	(1.55%)
Outperformance	(6.03%)	5.51%	(3.28%)	10.02%	17.73%

Source of Benchmark: Bloomberg

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



SGD Hedged-class

Performance Review (1 April 2022 to 31 March 2023)

For the period 1 April 2022 to 31 March 2023, the Fund registered a -2.19% return compared to the benchmark return of -2.65%. The Fund thus outperformed the Benchmark by 0.46%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2023 was SGD0.6931 while the NAV as at 31 March 2022 was SGD0.7086.

Since commencement, the Fund has registered a return of 38.62% compared to the benchmark return of 14.66%, outperforming by 23.96%.

Table 1: Performance of the Fund

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(2.19%)	36.01%	49.25%	38.62%
Benchmark	(2.65%)	32.51%	10.08%	14.66%
Outperformance	0.46%	3.50%	39.17%	23.96%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (27/11/15 - 31/3/23)
Fund	(2.19%)	10.80%	8.33%	4.54%
Benchmark	(2.65%)	9.84%	1.94%	1.88%
Outperformance	0.46%	0.96%	6.39%	2.66%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/4/22 - 31/3/23)	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)
Fund	(2.19%)	5.86%	31.36%	(4.25%)	14.60%
Benchmark	(2.65%)	1.57%	34.01%	(13.75%)	(3.69%)
Outperformance	0.46%	4.29%	(2.65%)	9.50%	18.29%

Source of Benchmark: Bloomberg

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



USD Hedged-class

Performance Review (1 April 2022 to 31 March 2023)

For the period 1 April 2022 to 31 March 2023, the Fund registered a -1.89% return compared to the benchmark return of -0.83%. The Fund thus underperformed the Benchmark by -1.06%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2023 was USD0.7469 while the NAV as at 31 March 2022 was USD0.7613.

Since commencement, the Fund has registered a return of 49.38% compared to the benchmark return of 36.04%, outperforming by 13.34%.

Table 1: Performance of the Fund

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (3/2/16 - 31/3/23)
Fund	(1.89%)	36.59%	53.59%	49.38%
Benchmark	(0.83%)	41.92%	8.49%	36.04%
Outperformance	(1.06%)	(5.33%)	45.10%	13.34%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/22 - 31/3/23)	3 Years (1/4/20 - 31/3/23)	5 Years (1/4/18 - 31/3/23)	Since Commencement (3/2/16 - 31/3/23)
Fund	(1.89%)	10.95%	8.96%	5.76%
Benchmark	(0.83%)	12.38%	1.64%	4.39%
Outperformance	(1.06%)	(1.43%)	7.32%	1.37%

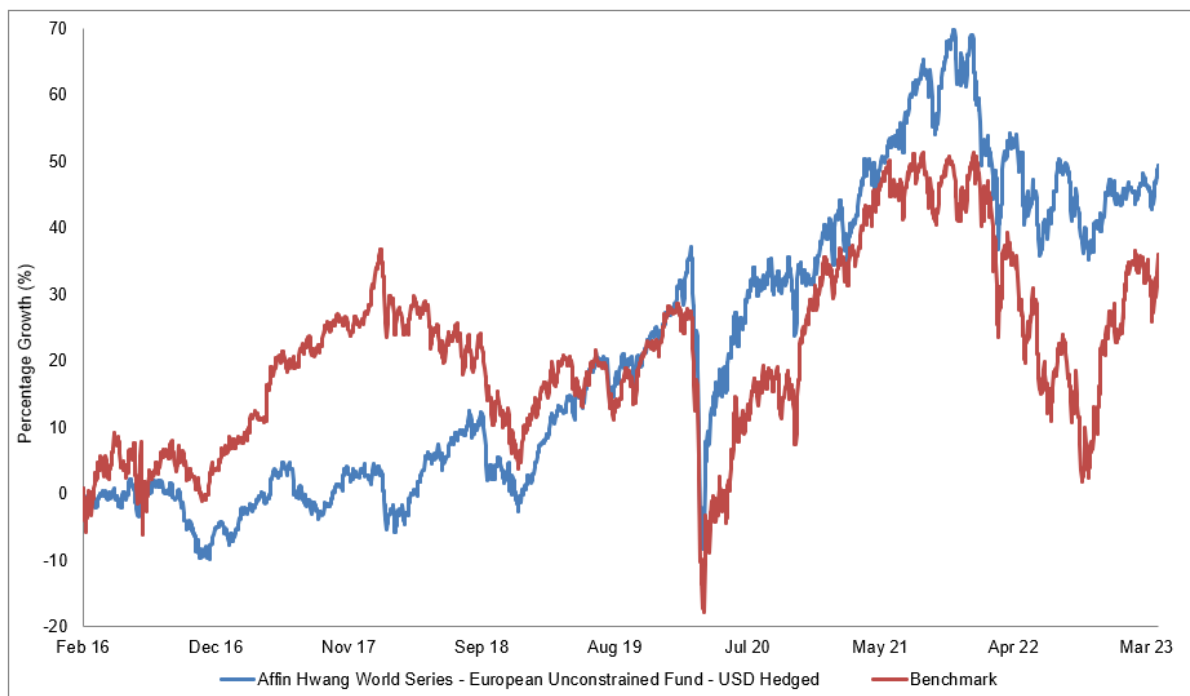
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/4/22 - 31/3/23)	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)
Fund	(1.89%)	6.25%	31.04%	(2.13%)	14.89%
Benchmark	(0.83%)	0.79%	41.99%	(17.92%)	(6.87%)
Outperformance	(1.06%)	5.46%	(10.95%)	15.79%	21.76%

Source of Benchmark: Bloomberg

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



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

Benchmark: MSCI Europe Index

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

Asset Allocation

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

As at 31 March 2023, the asset allocation of the Fund's exposure to the collective investment scheme stood at 95.81% of the Fund's Net Asset Value ("NAV"), while the balance was held in cash.

Stock selection was the strongest in Consumer Discretionary and Energy, while stock selection in Health Care and Industrials detracted the most. In general, our positioning in Consumer Discretionary and Utilities added the most value while Industrials, Health Care and Information Technology were the bottom contributing sectors.

Strategies Employed

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

The Target Fund Manager buys stocks that look attractive on the “three circle” approach and short stocks that are unattractive. The ability to short stocks increases their opportunity to underweight the security beyond its benchmark weight. Alpha is obtained through the shorts from both the underperformance relative to the benchmark and the ability to overweight attractive long names more, potentially generating more alpha on the long portfolio.

Market Review

Towards the end of the financial year under review, market sentiment was undermined by the collapse of two mid-sized lenders in the United States-Silicon Valley Bank and Signature Bank, forcing United States regulators to take urgent action to shore up confidence. That was followed by news a week later that UBS would acquire Credit Suisse, in a move that Swiss regulator Financial Market Infrastructure Ordinance (“FINMA”) said would “ensure stability for the bank’s customers and the financial center.” The concerns contributed to a sharp fall in government bond yields, with investors assuming that economic headwinds from the banking system would lead to an early end to central bank rate hikes. The yield on the 2-year United States Treasury, which hit a peak of 5.06% prior to the turmoil in the banking sector, ended the month at 4.03%. The yield on the 10-year United States Treasury declined from a high of over 4% to 3.47% by the end of the month.

Equity markets also gained towards the end of the financial period, and over the first quarter of 2023, pointing to confidence that regulators had acted with sufficient speed and force to avert a full-blown banking crisis. Global stocks (MSCI All Country World index) delivered a total return of 3.1% on the month, for a gain of 7.3% in the first quarter overall. The sales and purchase (“S&P”) 500 gained 3.7% in March, for a return of 7.5% on the quarter. But confidence is fragile, market volatility is likely to stay high, and policymakers may have to go further to make sure faith in the global financial system stays solid. Financial conditions are also likely to tighten, which increases the risk of a hard landing for the economy, even if central banks ease off on interest rate hikes.

Investment Outlook

The Target Fund outperformed the benchmark in the month of March leading up to the end of the financial year under review. Stock selection was strongest in the consumer discretionary sector, where the Target Fund’s holding in French luxury goods firm Moët Hennessy Louis Vuitton (“LVMH”) contributed the most. In financials, positive stock selection was offset by the overweight to the sector, after the collapse of Silicon Valley Bank and Signature Bank caused companies in the wider financial sector to fall. The Target Fund also benefitted from stock selection and sector allocation in health care during the month, with the long position in Novartis adding the most value. Shares in the Swiss pharmaceutical firm rose after it announced that the phase 3 NATALEE trial evaluating its cyclin-dependent kinase 4/6 inhibitors (“CDK4/6”) inhibitor ribociclib (Kisqali) in early breast cancer, had met its primary end point in this pivotal study. The results will be presented at an upcoming scientific meeting and submitted to Food and Drug Administration (“FDA”) and to regulatory agencies in other countries. Elsewhere, the Target Fund also benefitted from sector allocation effects in real estate and consumer staples. Conversely, the underweight to IT offset positive stock selection after the sector rallied during the month. At the stock level, the Target Fund’s holding in the Danish financial services firm Danske Bank was the largest detractor following weakness in the sector.

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

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 year under review, no soft commission was received by the Manager on behalf of the Fund.

Cross Trade

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

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

Changes Made To the Fund's Information Memorandum

There were no changes made to the Fund's Information Memorandum during the financial year under review.

TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG WORLD SERIES – EUROPEAN UNCONSTRAINED FUND (“Fund”)

We have acted as the Trustee of the Fund for the financial year ended 31 March 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur
18 May 2022

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
INVESTMENT (LOSS)/INCOME			
Interest income from financial assets at amortised cost		-	129
Net gain/(loss) on foreign currency exchange		21	(3,931)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss	8	(7,950)	423,589
Net (loss)/gain on financial assets at fair value through profit or loss	7	(266,549)	210,924
		<u>(274,478)</u>	<u>630,711</u>
EXPENSES			
Management fee	4	(101,917)	(110,185)
Trustee fee	5	(3,399)	(3,676)
Auditors' remuneration		(1,397)	-
Other expenses		(3,633)	(7,054)
		<u>(110,346)</u>	<u>(120,915)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(384,824)	509,796
Taxation	6	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(384,824)</u>	<u>509,796</u>
(Decrease)/increase in net assets attributable to unitholders comprise the following:			
Realised amount		37,994	687,280
Unrealised amount		(422,818)	(177,484)
		<u>(384,824)</u>	<u>509,796</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
ASSETS			
Cash and cash equivalents		382,231	270,111
Amount due from brokers		-	141,950
Amount due from Manager			
- creation of units		-	14,937
- management fee rebate receivable		5,959	9,067
Financial assets at fair value through profit or loss	7	4,141,165	6,867,186
Forward foreign currency contracts at fair value through profit or loss	8	5,601	92,643
TOTAL ASSETS		<u>4,534,956</u>	<u>7,395,894</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	8	25,505	26,173
Amount due to dealers		36,867	-
Amount due to Manager			
- management fee		6,884	10,855
- cancellation of units		138,344	20,568
Amount due to Trustee		229	362
Auditors' remuneration		1,734	1,968
Tax agent's fee		951	2,430
Other payable and accruals		2,365	2,420
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>212,879</u>	<u>64,776</u>
NET ASSET VALUE OF THE FUND		<u>4,322,077</u>	<u>7,331,118</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>4,322,077</u>	<u>7,331,118</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		604,776	1,439,935
- EUR Class		533,753	718,441
- MYR Hedged-class		2,707,866	4,043,756
- SGD Hedged-class		302,106	557,464
- USD Hedged-class		173,576	571,522
		<u>4,322,077</u>	<u>7,331,118</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	9 (a)	1,487,000	3,114,000
- EUR Class	9 (b)	889,000	1,153,000
- MYR Hedged-class	9 (c)	17,497,000	24,850,000
- SGD Hedged-class	9 (d)	631,000	1,183,000
- USD Hedged-class	9 (e)	253,000	834,000
		<u>20,757,000</u>	<u>31,134,000</u>
NET ASSET VALUE PER UNIT (EUR)			
- AUD Hedged-class		0.4067	0.4624
- EUR Class		0.6004	0.6231
- MYR Hedged-class		0.1548	0.1627
- SGD Hedged-class		0.4788	0.4712
- USD Hedged-class		0.6861	0.6853
		<u>0.4067</u>	<u>0.4624</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.6613	AUD0.6864
- EUR Class		EUR0.6004	EUR0.6231
- MYR Hedged-class		RM0.7435	RM0.7597
- SGD Hedged-class		SGD0.6931	SGD0.7086
- USD Hedged-class		USD0.7469	USD0.7613
		<u>0.6613</u>	<u>0.6864</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	<u>2023</u> EUR	<u>2022</u> EUR
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	7,331,118	4,050,833
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	271,691	6,091,076
- AUD Hedged-class	10,445	1,531,726
- EUR Class	49,669	295,504
- MYR Hedged-class	156,195	2,955,124
- SGD Hedged-class	15,576	832,643
- USD Hedged-class	39,806	476,079
Cancellation of units	(2,895,907)	(3,320,587)
- AUD Hedged-class	(675,119)	(850,904)
- EUR Class	(205,389)	-
- MYR Hedged-class	(1,304,857)	(1,385,973)
- SGD Hedged-class	(272,527)	(673,558)
- USD Hedged-class	(438,015)	(410,152)
(Decrease)/increase in net asset attributable to unitholders during the financial year	(384,824)	509,796
- AUD Hedged-class	(170,485)	85,622
- EUR Class	(28,968)	11,461
- MYR Hedged-class	(187,228)	288,653
- SGD Hedged-class	1,593	36,279
- USD Hedged-class	263	87,781
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>4,322,077</u>	<u>7,331,118</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	<u>2023</u> EUR	<u>2022</u> EUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investment	2,828,760	1,745,726
Purchase of investments	(315,000)	(4,910,000)
Interest received	-	129
Management fee rebate received	90,770	88,297
Management fee paid	(105,888)	(105,414)
Trustee fee paid	(3,532)	(3,517)
Payment for other fees and expenses	30,069	(8,684)
Net realised gain on forward foreign currency contracts	78,424	391,428
Net realised gain/(loss) on foreign currency exchange	135	(4,080)
Net cash flows generated from/(used in) operating activities	2,603,738	(2,806,115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	286,628	6,076,139
Payments for cancellation of units	(2,778,131)	(3,302,180)
Net cash flows (used in)/generated from financing activities	(2,491,503)	2,773,959
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	112,235	(32,156)
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(114)	152
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	270,111	302,115
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	382,232	270,111

Cash and cash equivalents as at 31 March 2023 and 31 March 2022 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 - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

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

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 101 'Classification of liabilities as current or non-current' (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments: Presentation' does not impact the current or non-current classification of the convertible instrument.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed 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

Interest income

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

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

Realised gains and losses on sale of investments

For collective investment scheme ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

C TAXATION

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

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

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, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

D FUNCTIONAL AND PRESENTATION CURRENCY

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

E FOREIGN CURRENCY TRANSLATIONS

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Fund’s debt securities are solely payment of 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.

The Fund classifies cash and cash equivalents, amount due from brokers 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 dealers, amount due to Manager, amount due to Trustee, payables for auditors’ remuneration and tax agent’s fee, and other payables and accruals as financial liabilities measured at amortised cost.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

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

Financial assets at amortised cost and other financial liabilities, except forward foreign currency contracts are subsequently carried at amortised cost using the effective interest method.

(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 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.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

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

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

Write-off

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

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

G CASH AND CASH EQUIVALENTS

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

H AMOUNT DUE FROM/(TO) BROKERS AND DEALERS

Amounts due from and to brokers and dealers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers and dealers balance are held for collection. Refer to Note F for accounting policy on recognition and measurement.

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

Significant financial difficulties of the brokers and dealers, probability that the broker and dealers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

I CREATION AND CANCELLATION OF UNITS

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

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

Units are created and cancelled at the 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 (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

K DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contracts that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contracts is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

K DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities as fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Functional currency

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

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

M REALISED AND UNREALISED PORTIONS OF 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 - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

1 INFORMATION ON THE FUND

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

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

The Fund may invest in the following assets, subject to the Deed, the Fund's objective, the Guidelines, the requirements of the 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 through investments in European equities.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 18 May 2023.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> EUR	At fair value through <u>profit or loss</u> EUR	<u>Total</u> EUR
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents		382,231	-	382,231
Amount due from Manager				
- management fee rebate receivable		5,959	-	5,959
Collective investment scheme	7	-	4,141,165	4,141,165
Forward foreign currency contracts	8	-	5,601	5,601
Total		<u>388,190</u>	<u>4,146,766</u>	<u>4,534,956</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	8	-	25,505	25,505
Amount due to dealers		36,867	-	36,867
Amount due to Manager				
- management fee		6,884	-	6,884
- cancellation of units		138,344	-	138,344
Amount due to Trustee		229	-	229
Auditors' remuneration		1,734	-	1,734
Tax agent's fee		951	-	951
Other payables and accruals		2,365	-	2,365
Total		<u>187,374</u>	<u>25,505</u>	<u>212,879</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Financial instruments are as follows (continued):

	<u>Note</u>	At amortised cost EUR	At fair value through profit or loss EUR	<u>Total EUR</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		270,111	-	270,111
Amount due from Manager				
- creation of units		14,937	-	14,937
- management fee rebate receivable		9,067	-	9,067
Amount due from brokers		141,950	-	141,950
Collective investment scheme	7	-	6,867,186	6,867,186
Forward foreign currency contracts	8	-	92,643	92,643
Total		<u>436,065</u>	<u>6,959,829</u>	<u>7,395,894</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	8	-	26,173	26,173
Amount due to Manager				
- management fee		10,855	-	10,855
- cancellation of units		20,568	-	20,568
Amount due to Trustee		362	-	362
Auditors' remuneration		1,968	-	1,968
Tax agent's fee		2,430	-	2,430
Other payables and accruals		2,420	-	2,420
Total		<u>38,603</u>	<u>26,173</u>	<u>64,776</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 - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Market risk (continued)

(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>2023</u> EUR	<u>2022</u> EUR
Quoted investment		
Collective investment scheme	4,141,165	6,867,186

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 15% (2022: 4%) and decreased by 15% (2022: 4%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> EUR	Impact on (loss)/ profit after tax/NAV EUR
<u>2023</u>		
-15%	3,519,990	(621,175)
0%	4,141,165	-
+15%	4,762,340	621,175
<u>2022</u>		
-4%	6,592,499	(274,687)
0%	6,867,186	-
+4%	7,141,873	274,687

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Market risk (continued)

(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.

As at the end of both financial year, the Fund is not exposed to any interest rate risk.

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against the Euro, the investments will face currency losses in addition to the capital gain/loss. The Manager will evaluate the likely directions of a foreign currency versus the Euro based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

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

	Forward foreign currency contracts EUR	Cash and cash equivalents EUR	Total EUR
<u>2023</u>			
<u>Financial assets</u>			
Australian Dollar	-	1,765	1,765
Malaysian Ringgit	5,164	17,473	22,637
Singapore Dollar	-	1,690	1,690
United States Dollar	437	7,961	8,398
	<u>5,601</u>	<u>28,889</u>	<u>34,490</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contracts EUR	Other liabilities* EUR	Net assets attributable to unitholders EUR	Total EUR
<u>2023</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	1,949	24,331	604,776	631,056
Malaysian Ringgit	21,619	22,062	2,707,866	2,751,547
Singapore Dollar	1,937	-	302,106	304,043
United States Dollar	-	-	173,576	173,576
	<u>25,505</u>	<u>46,394</u>	<u>3,788,324</u>	<u>3,860,223</u>

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

	Forward foreign currency contracts EUR	Cash and cash equivalents EUR	Amount due from Manager EUR	Total EUR
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar	17,744	3,483	-	21,227
Malaysian Ringgit	59,511	905	-	60,416
Singapore Dollar	9,733	1,208	14,937	25,878
United States Dollar	5,655	4,857	-	10,512
	<u>92,643</u>	<u>10,453</u>	<u>14,937</u>	<u>118,033</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency <u>contracts</u> EUR	Other <u>liabilities*</u> EUR	Net assets attributable to <u>unitholders</u> EUR	<u>Total</u> EUR
<u>2022</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	14,189	-	1,439,935	1,454,124
Malaysian Ringgit	7,626	27,386	4,043,756	4,078,768
Singapore Dollar	897	-	557,464	558,361
United States Dollar	3,461	-	571,522	574,983
	<u>26,173</u>	<u>27,386</u>	<u>6,612,677</u>	<u>6,666,236</u>

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (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 held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on (loss)/profit after tax/NAV EUR
<u>2023</u>		
Australian Dollar	+/- 10.14	+/- 63,810
Malaysian Ringgit	+/- 8.84	+/- 241,236
Singapore Dollar	+/- 8.79	+/- 26,577
United States Dollar	+/- 10.91	+/- 18,021
<u>2022</u>		
Australian Dollar	+/- 7.53	+/- 107,897
Malaysian Ringgit	+/- 5.30	+/- 212,973
Singapore Dollar	+/- 4.22	+/- 22,471
United States Dollar	+/- 6.12	+/- 34,546

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.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Liquidity risk (continued)

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

	Within one month EUR	Between one month to one year EUR	Total EUR
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	-	25,505	25,505
Amount due to dealers	36,867	-	36,867
Amount due to Manager			
- management fees	6,884	-	6,884
- cancellation of units	138,344	-	138,344
Amount due to Trustee	229	-	229
Auditors' remuneration	-	1,734	1,734
Tax agent fee	-	951	951
Other payables and accruals	-	2,365	2,365
Net assets attributable to unitholders#	4,322,077	-	4,322,077
	<u>4,504,401</u>	<u>30,555</u>	<u>4,534,956</u>

2022

Forward foreign currency contracts at fair value through profit or loss	-	26,173	26,173
Amount due to Manager			
- management fees	10,855	-	10,855
- cancellation of units	20,568	-	20,568
Amount due to Trustee	362	-	362
Auditors' remuneration	-	1,968	1,968
Tax agent fee	-	2,430	2,430
Other payables and accruals	-	2,420	2,420
Net assets attributable to unitholders#	7,331,118	-	7,331,118
	<u>7,362,903</u>	<u>32,991</u>	<u>7,395,894</u>

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Credit risk

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

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

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 settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

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

	Forward foreign currency contracts EUR	Cash and cash equivalents EUR	Other assets* EUR	Total EUR
<u>2023</u>				
Financial services				
- AA1	788	382,231	-	383,019
- AA2	-	-	-	-
- AA3	217	-	-	217
- NR	4,596	-	-	4,596
Others				
- NR	-	-	5,959	5,959
	<u>5,601</u>	<u>382,231</u>	<u>5,959</u>	<u>393,791</u>
<u>2022</u>				
Financial services				
- AAA	23,436	-	-	23,436
- AA1	-	270,111	-	270,111
- AA3	15,811	-	-	15,811
- NR	53,396	-	-	53,396
Others				
- NR	-	-	165,954	165,954
	<u>92,643</u>	<u>270,111</u>	<u>165,954</u>	<u>528,708</u>

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

Capital risk

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

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is 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 prices 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 asset that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u> EUR	<u>Level 2</u> EUR	<u>Level 3</u> EUR	<u>Total</u> EUR
<u>2023</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	4,141,165	-	-	4,141,165
- forward foreign currency contracts	-	5,601	-	5,601
	<u>4,141,165</u>	<u>5,601</u>	<u>-</u>	<u>4,146,766</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	25,505	-	25,505
<u>2022</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	6,867,186	-	-	6,867,186
- forward foreign currency contracts	-	92,643	-	92,643
	<u>6,867,186</u>	<u>92,643</u>	<u>-</u>	<u>6,959,829</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	26,173	-	26,173

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Investments whose values are based on published market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the published prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These includes forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(ii) The carrying values of cash and cash equivalents, amount due from brokers, amount due from Manager, and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short-term nature.

4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund.

For the financial year ended 31 March 2023, the management fee is recognised at a rate of 1.80% (2022: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

5 TRUSTEE FEE

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

For the financial year ended 31 March 2023, the Trustee's fee is recognised at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, exclusive of foreign custodian fee, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

6 TAXATION

	<u>2023</u> EUR	<u>2022</u> EUR
Current taxation	-	-

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

	<u>2023</u> EUR	<u>2022</u> EUR
Net (loss)/profit before taxation	(384,824)	509,796
Tax at Malaysian statutory rate of 24% (2022: 24%)	(92,358)	122,351
Tax effects of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	86,914	(151,371)
Expenses not deductible for tax purposes	1,688	2,526
Restriction on tax deductible expenses for Wholesale Funds	3,756	26,494
Tax expense	-	-

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> EUR	<u>2022</u> EUR
Financial assets at fair value through profit or loss:		
- collective investment scheme	4,141,165	6,867,186
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(17,881)	328,490
- unrealised loss on changes in fair value	(336,330)	(209,793)
- management fee rebate on collective investment scheme#	87,662	92,227
	(266,549)	210,924

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

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 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> EUR	<u>Fair value</u> EUR	<u>Percentage of NAV</u> %
UBS Lux Equity SICAV European Opportunity Unconstrained Fund - Class P (EUR)	15,900	4,029,752	4,141,165	95.81
Total collective investment scheme	15,900	4,029,752	4,141,165	95.81
Accumulated unrealised gain on collective investment scheme		111,413		
Total collective investment scheme		4,141,165		

(ii) Collective investment scheme as at 31 March 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> EUR	<u>Fair value</u> EUR	<u>Percentage of NAV</u> %
UBS Lux Equity SICAV European Opportunity Unconstrained Fund	25,327	6,419,443	6,867,186	93.67
Total collective investment scheme	25,327	6,419,443	6,867,186	93.67
Accumulated unrealised gain on collective investment scheme		447,743		
Total collective investment scheme		6,867,186		

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

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

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 31 March 2023 is as follows:

	Percentage of Target Fund's NAV %
Nestle SA	5.50
Novo Nordisk A/S	4.80
LVMH	4.50
Novartis AG	3.80
Astrazeneca	3.60
Sampo Oyj	3.30
Heineken NV	3.10
Iberdrola SA	2.90
Sanofi	2.80
Pernod Ricard SA	2.80
Total	37.10

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

	Percentage of Target Fund's NAV %
Astrazeneca	4.80
ASML	4.50
Nestle	4.20
Diaego	3.10
Sanofi	3.10
LVMH	3.10
SAP	3.00
Pernod Ricard	2.90
Sampo	2.90
AXA	2.70
Total	34.30

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

8 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 7 (2022: 14) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to EUR3,743,316 (2022: EUR6,510,238). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Hedged-classes denominated in Australian Dollar, Malaysian Ringgit, Singapore Dollar and United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

	<u>2023</u> EUR	<u>2022</u> EUR
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	5,601	92,643
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	25,505	26,173
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss:		
- realised gain on forward foreign currency contracts	78,424	391,429
- unrealised (loss)/gain on changes in fair value	(86,374)	32,160
	(7,950)	423,589

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 31 March 2023 is as follows:

	<u>Receivables</u> EUR	<u>Payables</u> EUR	<u>Fair value</u> EUR	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	77,034	76,818	217	0.01
BNP Paribas Malaysia Bhd	668,706	667,918	788	0.02
CIMB Bank Bhd	731,330	752,949	(21,619)	(0.50)
JP Morgan Chase Bank Bhd	1,659,621	1,656,962	2,659	0.06
Standard Chartered Bank Malaysia Bhd	586,721	588,670	(1,949)	(0.05)
Total forward foreign currency contracts	3,723,412	3,743,316	(19,904)	(0.46)

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

8 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts (continued)

(ii) Forward foreign currency contracts as at 31 March 2022 is as follows:

	<u>Receivables</u> EUR	<u>Payables</u> EUR	<u>Fair value</u> EUR	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	504,388	489,474	14,914	0.20
BNP Paribas Malaysia Bhd	1,399,835	1,409,840	(10,005)	(0.14)
CIMB Bank Bhd	1,345,485	1,323,131	22,354	0.30
JP Morgan Chase Bank Bhd	2,199,979	2,146,583	53,396	0.73
Standard Chartered Bank Malaysia Bhd	1,060,552	1,074,741	(14,189)	(0.19)
Total forward foreign currency contracts	<u>6,510,239</u>	<u>6,443,769</u>	<u>66,470</u>	<u>0.91</u>

The Manager is of the opinion that all transactions with the related company have been entered into agreed terms between the related parties.

9 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of the financial year	3,114,000	1,604,000
Creation of units arising from applications	23,000	3,371,000
Cancellation of units	(1,650,000)	(1,861,000)
At the end of the financial year	<u>1,487,000</u>	<u>3,114,000</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) EUR Class units in circulation

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	1,153,000	696,000
Creation of units arising from applications	84,000	457,000
Cancellation of units	(348,000)	-
At the end of the financial year	<u>889,000</u>	<u>1,153,000</u>

(c) MYR Hedged-class units in circulation

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	24,850,000	15,110,000
Creation of units arising from applications	1,009,000	18,325,000
Cancellation of units	(8,362,000)	(8,585,000)
At the end of the financial year	<u>17,497,000</u>	<u>24,850,000</u>

(d) SGD Hedged-class units in circulation

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	1,183,000	854,000
Creation of units arising from applications	35,000	1,744,000
Cancellation of units	(587,000)	(1,415,000)
At the end of the financial year	<u>631,000</u>	<u>1,183,000</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) USD Hedged-class units in circulation

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of the financial year	834,000	685,000
Creation of units arising from applications	57,000	727,000
Cancellation of units	(638,000)	(578,000)
At the end of the financial year	<u>253,000</u>	<u>834,000</u>

10 TRANSACTIONS WITH BROKERS

(i) Details of transaction with the top brokers and for the financial year ended 31 March 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> EUR	Percentage of <u>total trade</u> %
UBS Securities Pte Ltd Singapore	<u>3,001,810</u>	<u>100.00</u>

(ii) Details of transaction with the top brokers and for the financial year ended 31 March 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> EUR	Percentage of <u>total trade</u> %
UBS Securities Pte Ltd Singapore	<u>6,707,678</u>	<u>100.00</u>

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

11 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>
CVC Capital Partners Asia V L P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

11 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>2023</u>		<u>2022</u>	
	No. of units	EUR	No. of units	EUR
<u>The Manager:</u>				
AHAM Asset Management (formerly known as Affin Hwang Asset Management Berhad) (The units are held legally for booking purpose)				
- AUD Hedged-class	2,782	1,131	2,808	1,298
- EUR class	3,043	1,827	2,296	1,431
- MYR Hedged-class	3,035	470	3,545	577
- SGD Hedged-class	3,116	1,492	2,468	1,163
- USD Hedged-class	3,577	2,454	2,481	1,700

Other than above, there were no units held by the Directors and parties related to the Manager.

12 TOTAL EXPENSE RATIO ("TER")

	<u>2023</u>	<u>2022</u>
	%	%
TER	1.95	1.98

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is EUR5,664,676 (2022: EUR6,126,933).

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

13 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2023</u>	<u>2022</u>
PTR (times)	<u>0.27</u>	<u>0.52</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where: total acquisition for the financial year = EUR315,000 (2022: EUR4,820,000)
total disposal for the financial year = EUR2,704,691 (2022: EUR1,559,188)

14 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in corporate shareholding of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad).

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

15 SUBSEQUENT EVENT TO THE FINANCIAL YEAR

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divested all its equity interest of 27% in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT") resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

AFFIN HWANG WORLD SERIES - EUROPEAN UNCONSTRAINED FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 36 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 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 March 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AHAM ASSET MANAGEMENT BERHAD
(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD)

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 May 2023

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series – European Unconstrained Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2023, 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 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 36.

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.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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 - EUROPEAN UNCONSTRAINED 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 judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

OTHER MATTERS

This report is made solely to the 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
18 May 2023

DIRECTORY OF SALES OFFICE

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