



ANNUAL REPORT
30 September 2022

**Affin Hwang World
Series –
America Equity Fund**

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
(200301008392 [610812-W])

Built On Trust

aham.com.my

FUND INFORMATION

Fund Name	Affin Hwang World Series – America Equity Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over long term period
Benchmark	S&P 500 Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

FUND PERFORMANCE DATA

Category	As at 30 Sep 2022 (%)	As at 30 Sep 2021 (%)
Portfolio composition		
Collective investment scheme	98.52	97.55
Cash & cash equivalent	1.48	2.45
Total	100.00	100.00

Currency class	USD Class	MYRH Class	SGDH Class	AUDH Class	USD Class	MYRH Class	SGDH Class	AUDH Class
Total NAV (million)	4.631	48.925	1.507	1.472	5.827	49.212	1.482	1.662
NAV per Unit (in respective currencies)	0.4252	0.4328	0.4256	0.4219	0.5000	0.5052	0.5038	0.5050
Unit in Circulation (million)	10.892	113.049	3.542	3.488	11.654	97.410	2.941	3.291
Highest NAV	0.5428	0.5500	0.5465	0.5471	0.5175	0.5222	0.5215	0.5237
Lowest NAV	0.4241	0.4315	0.4243	0.4207	0.4912	0.4951	0.4947	0.4983
Return of the Fund (%)	-14.96	-14.33	-15.52	-16.46	0.00	1.04	0.76	1.00
- Capital Growth (%)	-14.96	-14.33	-15.52	-16.46	0.00	1.04	0.76	1.00
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) ¹		1.91				0.72		
Portfolio Turnover Ratio (times)		0.20				0.79		

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

¹The Fund's TER was higher than the previous year due to higher expenses incurred by the Fund for the financial year.

¹The Fund's PTR was lower than the previous year due to less trading activities for the financial year.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial year ended 30 September 2022.

Performance Review

USD Class

For the period 1 October 2021 to 30 September 2022, the Fund registered a -14.96% return compared to the benchmark return of -16.76%. The Fund thus outperformed the Benchmark by 1.80%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2022 was USD0.4252 while the NAV as at 30 September 2021 was USD0.5000.

Since commencement, the Fund has registered a return of -14.96% compared to the benchmark return of -15.96%, outperforming by 1.00%.

Table 1: Performance of the Fund

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(14.96%)	(14.96%)
Benchmark	(16.76%)	(15.96%)
Outperformance	1.80%	1.00%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(14.96%)	(11.99%)
Benchmark	(16.76%)	(12.81%)
Outperformance	1.80%	0.82%

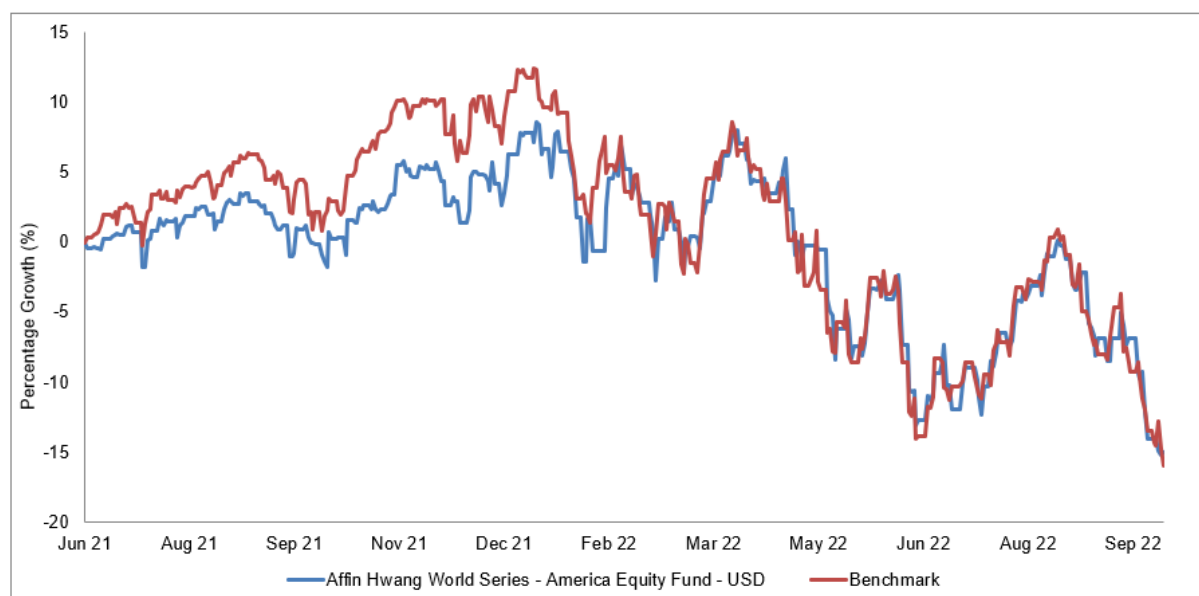
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/10/21 - 30/9/22)	FYE 2021 (25/6/21 - 30/9/21)
Fund	(14.96%)	0.00%
Benchmark	(16.76%)	0.96%
Outperformance	1.80%	(0.96%)

Source of Benchmark: Bloomberg

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



AUD Hedged-Class

For the period 1 October 2021 to 30 September 2022, the Fund registered a -16.46% return compared to the benchmark return of -6.62%. The Fund thus underperformed the Benchmark by 9.84%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 September 2022 was AUD0.4219 while the NAV as at 30 September 2021 was AUD0.5050.

Since commencement, the Fund has registered a return of -15.62% compared to the benchmark return of -0.91%, underperforming by 14.71%.

Table 1: Performance of the Fund

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(16.46%)	(15.62%)
Benchmark	(6.62%)	(0.91%)
Outperformance	(9.84%)	(14.71%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(16.46%)	(12.53%)
Benchmark	(6.62%)	(0.72%)
Outperformance	(9.84%)	(11.81%)

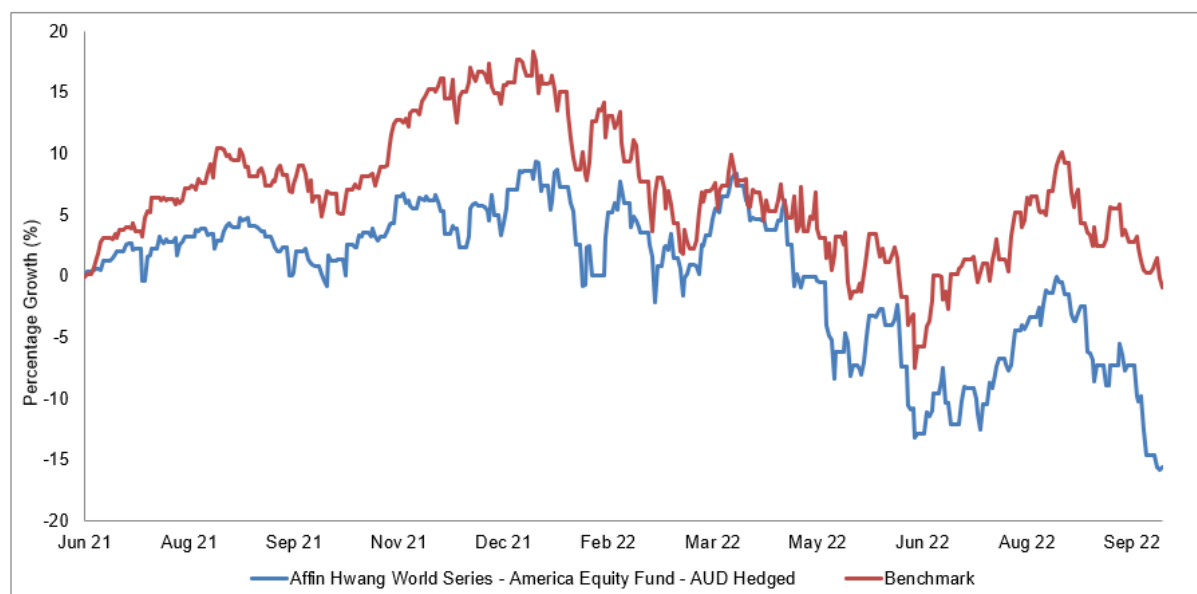
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/10/21 - 30/9/22)	FYE 2021 (25/6/21 - 30/9/21)
Fund	(16.46%)	1.00%
Benchmark	(6.62%)	6.11%
Outperformance	(9.84%)	(5.11%)

Source of Benchmark: Bloomberg

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



MYR Hedged-Class

For the period 1 October 2021 to 30 September 2022, the Fund registered a -14.33% return compared to the benchmark return of -7.81%. The Fund thus underperformed the Benchmark by 6.52%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 September 2022 was MYR0.4328 while the NAV as at 30 September 2021 was MYR0.5052.

Since commencement, the Fund has registered a return of -13.44% compared to the benchmark return of -6.29%, underperforming by 7.15%.

Table 1: Performance of the Fund

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(14.33%)	(13.44%)
Benchmark	(7.81%)	(6.29%)
Outperformance	(6.52%)	(7.15%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(14.33%)	(10.75%)
Benchmark	(7.81%)	(4.99%)
Outperformance	(6.52%)	(5.76%)

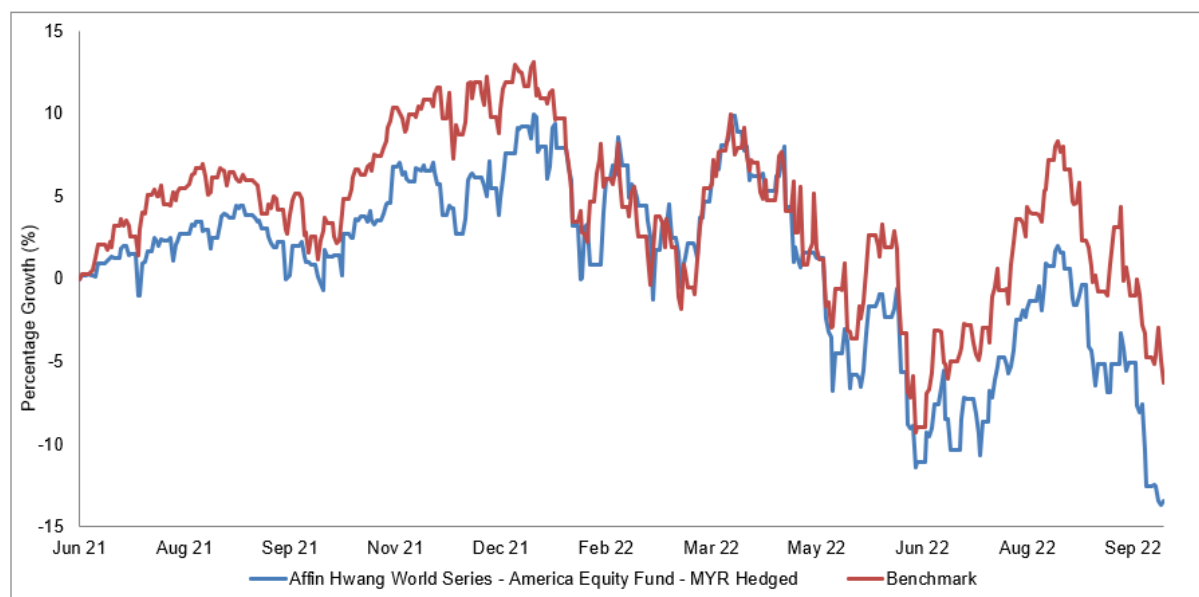
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/10/21 - 30/9/22)	FYE 2021 (25/6/21 - 30/9/21)
Fund	(14.33%)	1.04%
Benchmark	(7.81%)	1.65%
Outperformance	(6.52%)	(0.61%)

Source of Benchmark: Bloomberg

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



SGD Hedged-Class

For the period 1 October 2021 to 30 September 2022, the Fund registered a -15.52% return compared to the benchmark return of -12.08%. The Fund thus underperformed the Benchmark by 3.44%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 September 2022 was SGD0.4256 while the NAV as at 30 September 2021 was SGD0.5038.

Since commencement, the Fund has registered a return of -14.88% compared to the benchmark return of -10.20%, underperforming by 4.68%.

Table 1: Performance of the Fund

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(15.52%)	(14.88%)
Benchmark	(12.08%)	(10.20%)
Outperformance	(3.44%)	(4.68%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/21 - 30/9/22)	Since Commencement (25/6/21 - 30/9/22)
Fund	(15.52%)	(11.93%)
Benchmark	(12.08%)	(8.13%)
Outperformance	(3.44%)	(3.80%)

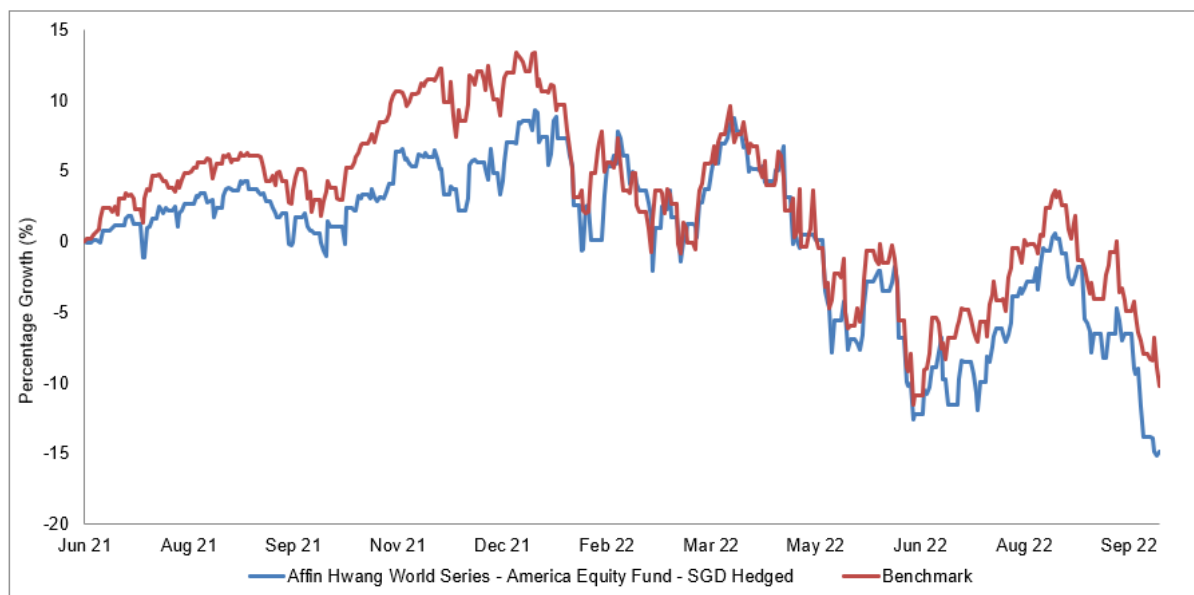
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/10/21 - 30/9/22)	FYE 2021 (25/6/21 - 30/9/21)
Fund	(15.52%)	0.76%
Benchmark	(12.08%)	2.14%
Outperformance	(3.44%)	(1.38%)

Source of Benchmark: Bloomberg

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



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

Benchmark: S&P 500 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 30 September 2022, the asset allocation of the Fund stood at 98.52% in collective investment scheme while the balance was held in cash and cash equivalent.

Strategy Employed

While the Fund's strategy remains invested in owning high quality businesses; the Fund currently has a tilt towards value stocks and the financials and materials sectors are our largest overweight exposures. The portfolio is well positioned to capture alpha.

Market Review

Sustained inflationary pressures as well as central bank tightening continues to present a headwind to financial markets. Geopolitical instability also contributes to market concerns as friction between Russia and Ukraine persists, causing supply chain disruptions. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As the last quarter of 2022 draws closer, we have seen numerous interest rates hikes over the year. The US Federal Reserve (Fed) has raised the fed funds rate by three percentage points within the span of 6 months to address inflationary pressures.

Global markets continue to slump lower in September month-on-month as the Fed signalled that there will be no let-up in its quest to quell inflation by tightening monetary policy. As a result, the Standard & Poor (S&P) 500 index fell 9.3% as hopes that the Fed would pivot anytime soon to loosen monetary policy is dampened. At the annual Jackson Hole economic symposium in August this year, Fed Chair Jerome Powell reiterated that the Fed is committed to raising interest rates until it is confident that inflation is sufficiently brought under control. Powell acknowledged that a tighter monetary policy may adversely affect US consumers and

businesses due to higher borrowing costs but added that a premature loosening policy could lead to a much worse outcome if inflation continued unchecked.

The euro area annual inflation rate was 9.1% in August, a considerable increase compared to 3.0% a year ago. The highest contributor to the annual inflation rate is the energy sector, followed by food, alcohol and tobacco. The energy crisis across Europe was exacerbated as Russia said it would halt the Nord Stream 1 pipeline. Russia has already cut its gas supplies to European Union (EU) states by 88% over the year.

In Asia the broader Morgan Stanley Capital International (MSCI) Asia ex-Japan index plunged 12.9% in September, 35.18% year to date (YTD) on slowdown fears, Taiwan and Korea being among the worst performers in the region as the two export-driven countries saw waning demand for tech goods on the back of a global slowdown. Indonesia on the other hand was the best-performing major Asia-Pacific index for the year, with the Jakarta composite index up 6.51% (11.10% YTD) since the start of the year.

According to state media, China plans to launch a real estate fund of up to 300.0 billion yuan (US\$44.0 billion) to help developers complete stalled projects. The People's Bank of China (PBoC) is also said to be issuing 1.0 trillion yuan (US\$148.2 billion) to ease a liquidity crunch in the sector. China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, despite having relaxed Covid-19 restrictions as the number of new cases decline, and the government's effort in stimulating the economy from both monetary and fiscal perspective, the path to economic recovery seems rocky and non-linear. The Shanghai Shenzhen CSI300 Index is down 27.42% YTD as the region continue to reel from a property slump.

Bond yields continue to rise as central banks maintained hawkishness and were active in raising monetary policy rates, resulting in further negative returns in an environment of continued high inflation. The US 10-year Treasury rose from 1.63% at the start of the year to 3.82% in September, with the two-year rising from 0.73% to 4.21%. The UK gilt market performed relatively worse than most government bond markets as inflation in UK hit 10% in July, surprising markets and raised expectations of a faster pace of rate hikes.

Investment Outlook

Markets are set to remain challenging for the rest of 2022. In developed markets, rising inflation and tight monetary policy may continue to hamper the recovery of risk assets. The Fed's hawkish tones continue to curb expectations of a transition to looser monetary policy anytime soon.

Following an order by the U.S. government in early September 2022 preventing chipmakers including Nvidia and Advanced Micro Devices (AMD) from exporting specific advanced chips to China, bilateral relationships between the U.S. and China may worsen further. On a positive note, delisting fears for U.S. listed Chinese stocks have alleviated to some extent on the news of an agreement between both governments over the auditing dispute being reached.

Asian markets may continue to see weakness. Korea and Taiwan have underperformed thus far as manufacturing gauges for both countries slumped in August 2022. Chinese markets were not spared following renewed lockdowns in major cities. Nevertheless, easing COVID-19 restrictions and policymakers signalling an end to the regulatory crackdown have given hope of a recovery in the Chinese markets.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

During the financial period under review, 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 UNITHOLDERS OF AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND (“FUND”)

We have acted as Trustee of the Fund for the financial year ended 30 September 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, 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 Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

For TMF Trustees Malaysia Berhad
(Company No.: (200301008392 [610812-W])

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
15 November 2022

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

CONTENTS	PAGE(S)
STATEMENT OF COMPREHENSIVE INCOME	1 - 2
STATEMENT OF FINANCIAL POSITION	3 - 4
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	5
STATEMENT OF CASH FLOWS	6
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	7 - 13
NOTES TO THE FINANCIAL STATEMENTS	14 - 37
STATEMENT BY THE MANAGER	38
INDEPENDENT AUDITORS' REPORT	39 - 42

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	<u>Note</u>	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
INVESTMENT LOSS			
Interest income from financial assets at amortised cost		389	1,435
Net loss on foreign currency exchange		(10,751)	(36,976)
Net loss on forward foreign currency contracts at fair value through profit or loss	10	(1,340,634)	(28,038)
Net (loss)/gain on financial assets at fair value through profit or loss	9	(2,660,207)	41,655
		<u>(4,011,203)</u>	<u>(21,924)</u>
EXPENSES			
Management fee	4	(361,945)	(81,274)
Trustee fee	5	(12,074)	(2,712)
Fund accounting fee	6	(3,258)	(555)
Auditors' remuneration		(1,867)	(1,908)
Tax agent's fee		(817)	(835)
Other expenses		(4,046)	(1,716)
		<u>(384,007)</u>	<u>(89,000)</u>
NET LOSS BEFORE TAXATION		(4,395,210)	(110,924)
Taxation	7	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(4,395,210)</u>	<u>(110,924)</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

	<u>Note</u>	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
Decrease in net asset attributable to unitholders is made up of the following:			
Realised amount		(806,872)	(121,082)
Unrealised amount		(3,588,338)	10,158
		<u>(4,395,210)</u>	<u>(110,924)</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 – AMERICA EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
ASSETS			
Cash and cash equivalents	8	770,072	501,359
Amount due from Manager			
- creation of units		8,214	109,188
- management fee rebate receivable		22,467	23,402
Financial assets at fair value through profit or loss	9	16,937,705	19,383,495
Forward foreign currency contracts at fair value through profit or loss	10	-	64,070
TOTAL ASSETS		<u>17,738,458</u>	<u>20,081,514</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	498,069	27,949
Amount due to broker		-	150,000
Amount due to dealer		2,294	-
Amount due to Manager			
- management fee		27,539	29,046
- cancellation of units		13,023	-
Amount due to Trustee		918	968
Auditors' remuneration		1,726	1,911
Tax agent's fee		1,510	836
Other payables and accruals		686	478
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>545,765</u>	<u>211,188</u>
NET ASSET VALUE OF THE FUND		<u>17,192,693</u>	<u>19,870,326</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>17,192,693</u>	<u>19,870,326</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (CONTINUED)

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		955,165	1,196,877
- MYR Hedged-class		10,553,356	11,757,684
- SGD Hedged-class		1,052,743	1,088,896
- USD Class		4,631,429	5,826,869
		<u>17,192,693</u>	<u>19,870,326</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	11(a)	3,488,000	3,291,000
- MYR Hedged-class	11(b)	113,049,000	97,410,000
- SGD Hedged-class	11(c)	3,542,000	2,941,000
- USD Class	11(d)	10,892,000	11,654,000
		<u>130,971,000</u>	<u>115,296,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.2738	0.3637
- MYR Hedged-class		0.0934	0.1207
- SGD Hedged-class		0.2972	0.3702
- USD Class		0.4252	0.5000
		<u>0.2738</u>	<u>0.3637</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD 0.4219	AUD 0.5050
- MYR Hedged-class		RM 0.4328	RM 0.5052
- SGD Hedged-class		SGD 0.4256	SGD 0.5038
- USD Class		USD 0.4252	USD 0.5000
		<u>AUD 0.4219</u>	<u>AUD 0.5050</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 – AMERICA EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH	19,870,326	-
Movement due to units created and cancelled during the financial year/period:		
Creation of units arising from applications	7,710,987	20,354,655
- AUD Hedged-class	644,465	1,270,590
- MYR Hedged-class	4,340,024	11,891,656
- SGD Hedged-class	703,607	1,134,561
- USD Class	2,022,891	6,057,848
Cancellation of units	(5,993,410)	(373,405)
- AUD Hedged-class	(549,472)	(18,059)
- MYR Hedged-class	(2,525,027)	(101,980)
- SGD Hedged-class	(466,383)	(32,988)
- USD Class	(2,452,528)	(220,378)
Net decrease in net assets attributable to unitholders during the financial year/period	(4,395,210)	(110,924)
- AUD Hedged-class	(336,705)	(55,654)
- MYR Hedged-class	(3,019,325)	(31,992)
- SGD Hedged-class	(273,377)	(12,677)
- USD Class	(765,803)	(10,601)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u>17,192,693</u>	<u>19,870,326</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 – AMERICA EQUITY FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Financial year ended 30.9.2022 USD	Financial period from 19.5.2021 (date of launch) to 30.9.2021 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		3,807,898	101,200
Purchase of investments		(4,467,000)	(19,355,000)
Interest received		389	1,435
Management fee rebate received		295,620	38,558
Management fee paid		(363,452)	(52,228)
Trustee fee paid		(12,124)	(1,744)
Fund accounting fee paid		(3,258)	(555)
Payments for other fees and expenses		(6,033)	(1,234)
Realised loss on forward foreign currency contracts		(804,150)	(64,159)
Net realised loss on foreign currency exchange		(11,675)	(34,747)
		<hr/>	<hr/>
Net cash flows used in operating activities		(1,563,785)	(19,368,474)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		7,811,961	20,245,467
Payments for cancellation of units		(5,980,387)	(373,405)
		<hr/>	<hr/>
Net cash flows generated from financing activities		1,831,574	19,872,062
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		267,789	503,588
EFFECTS OF FOREIGN CURRENCY EXCHANGE		924	(2,229)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/DATE OF LAUNCH		501,359	-
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	8	770,072	501,359
		<hr/> <hr/>	<hr/> <hr/>

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 – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

B INCOME RECOGNITION

Interest income

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

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

Realised gains and losses on sale of investments

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

C 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/period.

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

D FUNCTIONAL AND PRESENTATION CURRENCY

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

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

E FOREIGN CURRENCY TRANSLATION

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

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 payments 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.

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

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to brokers, amount due to dealer, amount due to Manager, amount due to Trustee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (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 derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership

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

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

Investment in CIS are 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 for 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 and lifetime expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (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 writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

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

G CASH AND CASH EQUIVALENTS

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

H AMOUNT DUE FROM/(TO) BROKERS 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 is held for collection. Refer to Note F for accounting policy on recognition and measurement.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

H AMOUNT DUE FROM/(TO) BROKERS AND DEALERS (CONTINUED)

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

The Fund issues cancellable units, in four classes of units, known respectively as the AUD Hedged-class, MYR Hedged-class, SGD Hedged-class and USD Class, which are cancelled at the unitholders' option and do not have identical features. 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 NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the 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 DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract 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 contract is entered into and are subsequently re-measured at their fair value. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets as 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 are determined using forward exchange rates at the date of statements of financial position, with the resulting value discounted back to present value.

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

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

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

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.

Functional currency

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

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

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 – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series – America Equity Fund (the “Fund”) pursuant to the execution of a Deed dated 30 April 2021 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 28 June 2021 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

The Fund may invest in any of 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 schemes;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) Any other form of investments permitted by the SC that is in line with the investment objective and asset allocation of the Fund.

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

The main objective of the Fund is to achieve capital appreciation over long term period.

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

The financial statements were authorised for issue by the Manager on 15 November 2022.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	770,072	-	770,072
Amount due from Manager				
- creation of units		8,214	-	8,214
- management fee rebate receivable		22,467	-	22,467
Collective investment scheme	9	-	16,937,705	16,937,705
		<u>800,753</u>	<u>16,937,705</u>	<u>17,738,458</u>
Total		<u>800,753</u>	<u>16,937,705</u>	<u>17,738,458</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	498,069	498,069
Amount due to dealer		2,294	-	2,294
Amount due to Manager				
- management fee		27,539	-	27,539
- cancellation of units		13,023	-	13,023
Amount due to Trustee		918	-	918
Auditors' remuneration		1,726	-	1,726
Tax agent's fee		1,510	-	1,510
Other payables and accruals		686	-	686
		<u>47,696</u>	<u>498,069</u>	<u>545,765</u>
Total		<u>47,696</u>	<u>498,069</u>	<u>545,765</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	501,359	-	501,359
Amount due from Manager				
- creation of units		109,188	-	109,188
- management fee rebate receivable		23,402	-	23,402
Collective investment scheme	9	-	19,383,495	19,383,495
Forward foreign currency contracts	10	-	64,070	64,070
Total		<u>633,949</u>	<u>19,447,565</u>	<u>20,081,514</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	27,949	27,949
Amount due to broker		150,000	-	150,000
Amount due to Manager				
- management fee		29,046	-	29,046
Amount due to Trustee		968	-	968
Auditors' remuneration		1,911	-	1,911
Tax agent's fee		836	-	836
Other payables and accruals		478	-	478
Total		<u>183,239</u>	<u>27,949</u>	<u>211,188</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 – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Market risk

(a) Price risk

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

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

	<u>2022</u> USD	<u>2021</u> USD
Quoted investment		
Collective investment scheme	16,937,705	19,383,495

The following table summarises the sensitivity of the Fund's loss after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the CIS, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	Impact on loss after <u>tax/NAV</u> USD
<u>2022</u>		
-4%	16,260,197	(677,508)
0%	16,937,705	-
+4%	17,615,213	677,508
<u>2021</u>		
-10%	17,445,145	(1,938,350)
0%	19,383,495	-
+10%	21,321,845	1,938,350

(b) Interest rate risk

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

The Fund's exposure to the interest rate risk is mainly confined to short-term deposit placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on a short-term basis.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk

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

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

	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2022</u>			
<u>Financial assets</u>			
Australian Dollar	4,930	-	4,930
Malaysian Ringgit	7,082	8,214	15,296
Singapore Dollar	5,607	-	5,607
	<u>17,619</u>	<u>8,214</u>	<u>25,833</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD
<u>Financial liabilities</u>			
Australian Dollar	64,154	-	955,165
Malaysian Ringgit	405,358	16,945	10,553,356
Singapore Dollar	28,557	2,294	1,052,743
	<u>498,069</u>	<u>19,239</u>	<u>12,561,264</u>
			<u>13,078,572</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	-	842	3,673	4,515
Malaysian Ringgit	64,070	319	25,902	90,291
Singapore Dollar	-	1,047	-	1,047
	<u>64,070</u>	<u>2,208</u>	<u>29,575</u>	<u>95,853</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Australian Dollar	18,246	-	1,196,877	1,215,123
Malaysian Ringgit	2,254	3,225	11,757,684	11,763,163
Singapore Dollar	7,449	-	1,088,896	1,096,345
	<u>27,949</u>	<u>3,225</u>	<u>14,043,457</u>	<u>14,074,631</u>

* Other liabilities consist of auditors' remuneration, amount due to brokers, amount due to dealers, amount due to manager, tax agent's fee and other payables.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on loss after tax/ NAV USD
<u>2022</u>		
Australian Dollar	+/- 11.70	-/+ 118,683
Malaysian Ringgit	+/- 3.26	-/+ 357,308
Singapore Dollar	+/- 4.50	-/+ 48,509
<u>2021</u>		
Australian Dollar	+/- 4.84	-/+ 58,593
Malaysian Ringgit	+/- 2.06	-/+ 240,461
Singapore Dollar	+/- 2.21	-/+ 24,206

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 of cash and other instruments, which are capable of being converted into cash within 7 days.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Liquidity risk (continued)

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

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

	<u>Within one month</u> USD	<u>Between one month to one year</u> USD	<u>Total</u> USD
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	62,834	435,235	498,069
Amount due to dealer	2,294	-	2,294
Amount due to Manager			
- management fee	27,539	-	27,539
- cancellation of units	13,023	-	13,023
Amount due to Trustee	918	-	918
Auditors' remuneration	-	1,726	1,726
Tax agent's fee	-	1,510	1,510
Other payables and accruals	-	686	686
Net assets attributable to unitholders*	17,192,693	-	17,192,693
	<u>17,299,301</u>	<u>439,157</u>	<u>17,738,458</u>
<u>2021</u>			
Forward foreign currency contracts at fair value through profit or loss	1,209	26,740	27,949
Amount due to broker	150,000	-	150,000
Amount due to Manager			
- management fee	29,046	-	29,046
Amount due to Trustee	968	-	968
Auditors' remuneration	-	1,911	1,911
Tax agent's fee	-	836	836
Other payables and accruals	-	478	478
Net assets attributable to unitholders*	19,870,326	-	19,870,326
	<u>20,051,549</u>	<u>29,965</u>	<u>20,081,514</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Liquidity risk (continued)

* 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 holders of the instruments typically retain them for the medium to long term return.

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.

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

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

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

	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2022</u>			
Financial services			
- AAA	770,072	-	770,072
Others			
- NR	-	30,681	30,681
	<u>770,072</u>	<u>30,681</u>	<u>800,753</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Credit risk (continued)

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

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2021</u>				
Financial services				
- AAA	8,905	501,359	-	510,264
- AA2	23,335	-	-	23,335
- AA3	20,305	-	-	20,305
- NR	11,525	-	-	11,525
Others				
- NR	-	-	132,590	132,590
	<u>64,070</u>	<u>501,359</u>	<u>132,590</u>	<u>698,019</u>

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 financial year end date. The Fund utilises the last traded price for financial assets.

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.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

The fair value of financial assets and financial liabilities 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.

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 and financial liabilities (by class) measured at fair value:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial assets at fair value through profit or loss - collective investment scheme	16,937,705	-	-	16,937,705

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2022</u> (continued)				
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	498,069	-	498,069
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	19,383,495	-	-	19,383,495
- forward foreign currency contracts	-	64,070	-	64,070
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>19,383,495</u>	<u>64,070</u>	<u>-</u>	<u>19,447,565</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	27,949	-	27,949
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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

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

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 30 September 2022, the management fee is recognised at a rate of 1.80% (19 May 2021 (date of launch) to 30 September 2021: 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 Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, excluding foreign custodian fees and charges.

For the financial year ended 30 September 2022, the Trustee's fee is recognised at a rate of 0.06% (19 May 2021 (date of launch) to 30 September 2021: 0.06%) 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 Trustee in respect of Trustee fee other than the amounts recognised above.

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM14,000 (equivalent to: USD 3,258) (19 May 2021 (date of launch) to 30 September 2021: RM2,333 (equivalent to: USD555)) per annum.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

7 TAXATION

	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
Current taxation	-	-

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

	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
Net loss before taxation	(4,395,210)	(110,924)
Tax at Malaysian statutory rate of 24% (2021: 24%)	(1,054,850)	(26,622)
Tax effects of:		
Investment loss not brought to tax	1,033,413	5,262
Expenses not deductible for tax purposes	4,732	1,282
Restriction on tax deductible expenses for Wholesale Funds	16,705	20,078
Tax expense	-	-

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

8 CASH AND CASH EQUIVALENTS

	<u>2022</u> USD	<u>2021</u> USD
Cash and bank balances	681,606	501,359
Deposits with licensed financial institution	88,466	-
	<u>770,072</u>	<u>501,359</u>

Weighted average effective interest rates per annum with a licensed financial institution are as follows:

	<u>2022</u> %	<u>2021</u> %
Deposits with a licensed financial institution	<u>2.25</u>	<u>-</u>

Deposits with a licensed financial institution have an average maturity of 3 days (2021: Nil).

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	<u>16,937,705</u>	<u>19,383,495</u>
	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	100,180	3,429
- unrealised loss on changes in fair value	(3,055,072)	(23,734)
- management fee rebate on collective investment scheme #	294,685	61,960
	<u>(2,660,207)</u>	<u>41,655</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

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

(a) Collective investment scheme

(i) Collective investment scheme as at 30 September 2022 is as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
JPMorgan Funds - America Equity Fund	468,151	20,016,511	16,937,705	98.52
Total collective investment scheme	<u>468,151</u>	<u>20,016,511</u>	<u>16,937,705</u>	<u>98.52</u>
Accumulated unrealised loss on collective investment scheme		<u>(3,078,806)</u>		
Total collective investment scheme		<u>16,937,705</u>		

(ii) Collective investment scheme as at 30 September 2021 is as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
JPMorgan Funds - America Equity Fund	456,190	19,407,229	19,383,495	97.55
Total collective investment scheme	<u>456,190</u>	<u>19,407,229</u>	<u>19,383,495</u>	<u>97.55</u>
Accumulated unrealised loss on collective investment scheme		<u>(23,734)</u>		
Total collective investment scheme		<u>19,383,495</u>		

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

9 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 30 September 2022 is as follows:

	<u>Percentage of Target Fund's NAV</u> %
Microsoft	5.90
Apple	5.70
Tesla	4.50
Bank of America	4.40
Amazon.com	4.10
UnitedHealth	4.00
Alphabet	3.70
Martin Marietta Materials	3.50
Loews	3.50
Capital One Financial	3.40
Total	<u>42.70</u>

(ii) The Target Fund's top 10 holdings as at 30 September 2021 is as follows:

	<u>Percentage of Target Fund's NAV</u> %
Microsoft	5.50
Alphabet	5.20
Apple	5.00
Amazon.com	3.60
Berkshire Hathaway	3.50
Loews	3.30
Autozone	3.30
Facebook	3.00
Abbvie	2.90
Bank of America	2.90
Total	<u>38.20</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 21 (2021: 39) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD13,229,022 (2021: USD14,004,032). The forward foreign currency contracts entered into during the financial year/period were for hedging against the currency exposure arising from the different hedged-classes denominated in Australian Dollar, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	-	64,070
	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	498,069	27,949
	<u> </u>	<u> </u>
	Financial year ended <u>30.9.2022</u> USD	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> USD
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised loss on forward foreign currency contracts	(806,444)	(64,159)
- unrealised (loss)/gain on forward foreign currency contracts	(534,190)	36,121
	<u> </u>	<u> </u>
	<u>(1,340,634)</u>	<u>(28,038)</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 30 September 2022 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd #	3,300,674	3,365,103	(64,429)	(0.37)
BNP Paribas Malaysia Bhd	1,060,928	1,123,762	(62,834)	(0.36)
CIMB Bank Bhd	2,425,648	2,509,357	(83,709)	(0.49)
Hong Leong Bank Bhd	1,785,930	1,878,176	(92,246)	(0.54)
J.P. Morgan Chase Bank Bhd	2,541,075	2,643,841	(102,766)	(0.60)
Standard Chartered Bank (M) Bhd	1,893,062	1,979,978	(86,916)	(0.51)
United Overseas Bank Bhd	221,705	226,874	(5,169)	(0.03)
Total forward foreign currency contracts	<u>13,229,022</u>	<u>13,727,091</u>	<u>(498,069)</u>	<u>(2.90)</u>

(ii) Forward foreign currency contracts for the financial period from 19 May 2021 (date of launch) to 30 September 2021 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd #	6,131,199	6,123,770	7,429	0.04
BNP Paribas Malaysia Bhd	2,331,468	2,313,844	17,624	0.09
CIMB Bank Bhd	2,629,027	2,633,620	(4,593)	(0.02)
J.P. Morgan Chase Bank Bhd	1,794,247	1,783,932	10,316	0.05
Standard Chartered Bank (M) Bhd	1,118,091	1,112,745	5,345	0.02
Total forward foreign currency contracts	<u>14,004,032</u>	<u>13,967,911</u>	<u>36,121</u>	<u>0.18</u>

The Manager is of the opinion that all transactions with the former holding company of the Manager have been entered in the normal course of business at agreed terms between the related parties.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of financial year/date of launch	3,291,000	-
Creation of units arising from applications	1,720,000	3,338,000
Cancellation of units	(1,523,000)	(47,000)
At the end of the financial year/period	<u>3,488,000</u>	<u>3,291,000</u>

(b) MYR Hedged-class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of financial year/date of launch	97,410,000	-
Creation of units arising from applications	36,319,000	98,234,000
Cancellation of units	(20,680,000)	(824,000)
At the end of the financial year/period	<u>113,049,000</u>	<u>97,410,000</u>

(c) SGD Hedged-class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of financial year/date of launch	2,941,000	-
Creation of units arising from applications	1,875,000	3,028,000
Cancellation of units	(1,274,000)	(87,000)
At the end of the financial year/period	<u>3,542,000</u>	<u>2,941,000</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(d) USD Class units in circulation

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of financial year/date of launch	11,654,000	-
Creation of units arising from applications	3,975,000	12,084,000
Cancellation of units	(4,737,000)	(430,000)
At the end of the financial year/period	<u>10,892,000</u>	<u>11,654,000</u>

12 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the brokers for the financial year ended 30 September 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
JP Morgan Asset Management (SG) Ltd	7,484,898	92.12
JP Morgan Securities (Asia Pacific) Ltd	640,000	7.88
	<u>8,124,898</u>	<u>100.00</u>

(ii) Details of transactions with the broker for the financial period from 19 May 2021 (date of launch) to 30 September 2021 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
JP Morgan Asset Management (SG) Ltd	<u>19,606,200</u>	<u>100.00</u>

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P., CVC Capital Partners Investment Asia L.P. and CVC Capital Partners Asia V Associates L.P. (collectively known as “CVC Asia V”)	Ultimate holding companies of the Manager
CVC Capital Partners Asia V Limited	General Partner of the ultimate holding companies
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
Affin Hwang Asset Management Berhad (“AHAM”)	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding companies 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 Affin Hwang Asset Management Berhad	Directors of the Manager

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

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

	2022		2021	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)				
- AUD Hedged-class	10,822	2,963	10,586	3,850
- MYR Hedged-class	10,366	968	10,973	1,324
- SGD Hedged-class	10,900	3,239	10,305	3,815
- USD Class	10,054	4,275	10,859	5,430
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

14 TOTAL EXPENSE RATIO (“TER”)

	Financial year ended <u>30.9.2022</u> %	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u> %
TER	<u>1.91</u>	<u>0.72</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is USD20,123,679 (financial period from 19 May 2021 (date of launch) to 30 September 2021: USD12,343,981).

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial year ended <u>30.9.2022</u>	Financial period from 19.5.2021 (date of launch) to <u>30.9.2021</u>
PTR (times)	<u>0.20</u>	<u>0.79</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = USD4,317,000 (2021: USD19,505,000)
total disposal for the financial year/period = USD3,707,718 (2021: USD101,200)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in corporate shareholding of 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 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, Affin Hwang Asset Management Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

17 SUBSEQUENT EVENT

On 10 November 2022, the Manager, Affin Hwang Asset Management Berhad changed its name to AHAM Asset Management Berhad.

AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad** do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 37 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 30 September 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 September 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 November 2022

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – AMERICA EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

in our opinion, the financial statements of Affin Hwang World Series – America Equity Fund (“the fund”) give a true and fair view of the financial position of the fund as at 30 September 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 37.

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 – AMERICA EQUITY 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 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, 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 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 – AMERICA EQUITY 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 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 – AMERICA EQUITY 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
15 November 2022

DIRECTORY OF SALES OFFICE

HEAD OFFICE

AHAM Asset Management Berhad
Ground Floor
Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll free no : 1-800-88-7080
Email:customercare@aham.com.my

PERAK

AHAM Asset Management Berhad
1, Persiaran Greentown 6
Greentown Business Centre
30450 Ipoh Perak

Tel : 05 – 241 0668
Fax : 05 – 255 9696

PETALING JAYA

AHAM Asset Management Berhad
C-31-1, Jaya One
72A Jalan Prof Diraja Ungku Aziz
Section 13
46200 Petaling Jaya
Selangor

Tel : 03 – 7760 3062

MELAKA

AHAM Asset Management Berhad
Ground Floor, No. 584, Jalan Merdeka
Taman Melaka Raya
75000 Melaka

Tel : 06 – 281 2890
Fax : 06 – 281 2937

JOHOR

AHAM Asset Management Berhad
Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor Darul Takzim

Tel : 07 – 227 8999
Fax : 07 – 223 8998

SABAH

AHAM Asset Management Berhad
Unit 1.09(a), Level 1
Plaza Shell
29, Jalan Tunku Abdul Rahman
88000 Kota Kinabalu
Sabah

Tel : 088 – 252 881
Fax : 088 – 288 803

SARAWAK

AHAM Asset Management Berhad
Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching
Sarawak

Tel : 082 – 233 320
Fax : 082 – 233 663

AHAM Asset Management Berhad
1st Floor, Lot 1291
Jalan Melayu, MCLD
98000 Miri
Sarawak

Tel : 085 – 418 403
Fax : 085 – 418 372

AHAM Asset Management Berhad

(Formerly known as Affin Hwang Asset Management Berhad)
Registration No: 199701014290 (429786-T)

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

Toll Free Number: 1800 88 7080 T: +603 2116 6000 F: +603 2116 6100

www.aham.com.my