



**ANNUAL REPORT**  
30 September 2022

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

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

TRUSTEE  
Deutsche Trustees Malaysia  
Berhad (763590-H)

**Built On Trust**

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# AFFIN HWANG WORLD SERIES – GLOBAL EQUITY FUND

## Annual Report and Audited Financial Statements For the Financial Year Ended 30 September 2022

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Contents	Page
FUND INFORMATION .....	III
FUND PERFORMANCE DATA .....	V
MANAGER'S REPORT .....	VI
TRUSTEE'S REPORT .....	XIII
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

## FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Equity Fund
Fund Type	Growth
Fund Category	Equity feeder (wholesale)
Investment Objective	The Fund aims to achieve medium to long-term capital appreciation
Benchmark	MSCI AC World 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 30 Sep 2022 (%)	As At 30 Sep 2021 (%)	As At 30 Sep 2020 (%)
Portfolio composition			
<b>Collective investment scheme - foreign</b>	<b>98.42</b>	<b>97.17</b>	<b>97.58</b>
<b>Cash &amp; cash equivalent</b>	<b>1.58</b>	<b>2.83</b>	<b>2.42</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Currency class	<u>MYR</u> <u>Class</u>	<u>SGD</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>SGD</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>SGD</u> <u>Class</u>	<u>USD</u> <u>Class</u>
Total NAV (million)	198.284	3.647	4.466	263.825	5.363	6.183	88.363	2.950	19.430
NAV per unit (in respective currencies)	0.8637	0.7941	0.7845	1.0165	0.9838	1.0226	0.8031	0.7884	0.8139
Unit in Circulation (million)	229.575	4.592	5.693	259.592	5.451	6.046	110.028	3.742	23.872
Highest NAV	1.0748	1.0401	1.0895	1.0711	1.0312	1.0857	0.8312	0.8134	0.8448
Lowest NAV	0.8542	0.7941	0.7845	0.7967	0.7797	0.8078	0.5695	0.5555	0.5414
Return of the Fund (%)	-15.03	-19.28	-23.28	26.57	24.78	25.64	18.56	17.34	18.51
- Capital Return (%)	-15.03	-19.28	-23.28	26.57	24.78	25.64	18.56	17.34	18.51
- Income Return (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expenses Ratio (%) <sup>1</sup>		1.88			1.87			1.88	
Portfolio Turnover Ratio (times) <sup>2</sup>		0.98			0.41			1.53	

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

<sup>2</sup>The Fund's PTR was higher than previous year due to increased trading activities for the financial year.

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

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

An illustration of the above would be as follow:-

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

## 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 -23.28% return compared to the benchmark return of -20.66%. The Fund thus underperformed the Benchmark by 2.62%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2022 was USD0.7845 while the NAV as at 30 September 2021 was USD1.0226.

Since commencement, the Fund has registered a return of 56.90% compared to the benchmark return of 48.84%, outperforming by 8.06%.

Table 1: Performance of the Fund

	<b>1 Year</b> (1/10/21 - 30/9/22)	<b>3 Years</b> (1/10/19 - 30/9/22)	<b>5 Years</b> (1/10/17 - 30/9/22)	<b>Since Commencement</b> (14/12/15 - 30/9/22)
<b>Fund</b>	<b>(23.28%)</b>	<b>14.23%</b>	<b>31.92%</b>	<b>56.90%</b>
<b>Benchmark</b>	<b>(20.66%)</b>	<b>11.67%</b>	<b>21.85%</b>	<b>48.84%</b>
<b>Outperformance</b>	<b>(2.62%)</b>	<b>2.56%</b>	<b>10.07%</b>	<b>8.06%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/10/21 - 30/9/22)	<b>3 Years</b> (1/10/19 - 30/9/22)	<b>5 Years</b> (1/10/17 - 30/9/22)	<b>Since Commencement</b> (14/12/15 - 30/9/22)
<b>Fund</b>	<b>(23.28%)</b>	<b>4.53%</b>	<b>5.69%</b>	<b>6.85%</b>
<b>Benchmark</b>	<b>(20.66%)</b>	<b>3.74%</b>	<b>4.03%</b>	<b>6.02%</b>
<b>Outperformance</b>	<b>(2.62%)</b>	<b>0.79%</b>	<b>1.66%</b>	<b>0.83%</b>

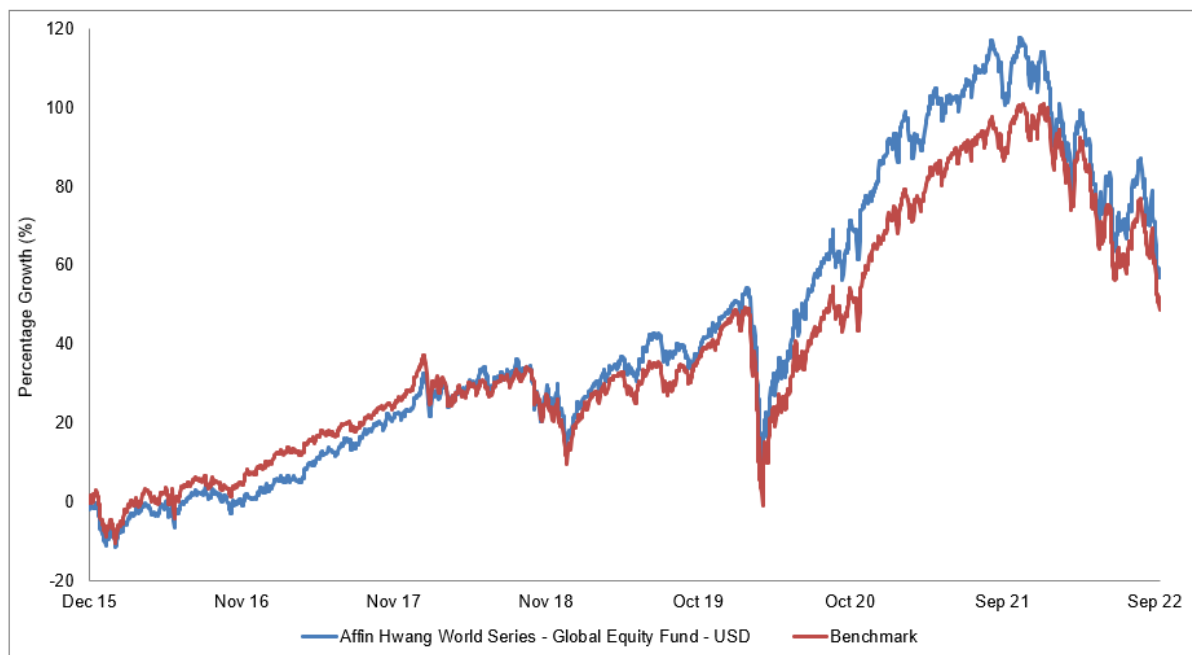
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022</b> (1/10/21 - 30/9/22)	<b>FYE 2021</b> (1/10/20 - 30/9/21)	<b>FYE 2020</b> (1/10/19 - 30/9/20)	<b>FYE 2019</b> (1/10/18 - 30/9/19)	<b>FYE 2018</b> (1/10/17 - 30/9/18)
<b>Fund</b>	<b>(23.28%)</b>	<b>25.64%</b>	<b>18.51%</b>	<b>2.48%</b>	<b>12.70%</b>
<b>Benchmark</b>	<b>(20.66%)</b>	<b>27.44%</b>	<b>8.27%</b>	<b>(0.04%)</b>	<b>9.17%</b>
<b>Outperformance</b>	<b>(2.62%)</b>	<b>(1.80%)</b>	<b>10.24%</b>	<b>2.52%</b>	<b>3.53%</b>

Source of Benchmark: Bloomberg

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



### **MYR Class**

For the period 1 October 2021 to 30 September 2022, the Fund registered a -15.03% return compared to the benchmark return of -12.13%. The Fund thus underperformed the Benchmark by 2.90%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 September 2022 was MYR0.8637 while the NAV as at 30 September 2021 was MYR1.0165.

Since commencement, the Fund has registered a return of 72.74% compared to the benchmark return of 59.07%, outperforming by 13.67%.

Table 1: Performance of the Fund

	<b>1 Year (1/10/21 - 30/9/22)</b>	<b>3 Years (1/10/19 - 30/9/22)</b>	<b>5 Years (1/10/17 - 30/9/22)</b>	<b>Since Commencement (14/12/15 - 30/9/22)</b>
<b>Fund</b>	<b>(15.03%)</b>	<b>27.50%</b>	<b>46.14%</b>	<b>72.74%</b>
<b>Benchmark</b>	<b>(12.13%)</b>	<b>23.60%</b>	<b>33.80%</b>	<b>59.07%</b>
<b>Outperformance</b>	<b>(2.90%)</b>	<b>3.90%</b>	<b>12.34%</b>	<b>13.67%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/10/21 - 30/9/22)</b>	<b>3 Years (1/10/19 - 30/9/22)</b>	<b>5 Years (1/10/17 - 30/9/22)</b>	<b>Since Commencement (14/12/15 - 30/9/22)</b>
<b>Fund</b>	<b>(15.03%)</b>	<b>8.43%</b>	<b>7.88%</b>	<b>8.37%</b>
<b>Benchmark</b>	<b>(12.13%)</b>	<b>7.31%</b>	<b>5.99%</b>	<b>7.06%</b>
<b>Outperformance</b>	<b>(2.90%)</b>	<b>1.12%</b>	<b>1.89%</b>	<b>1.31%</b>

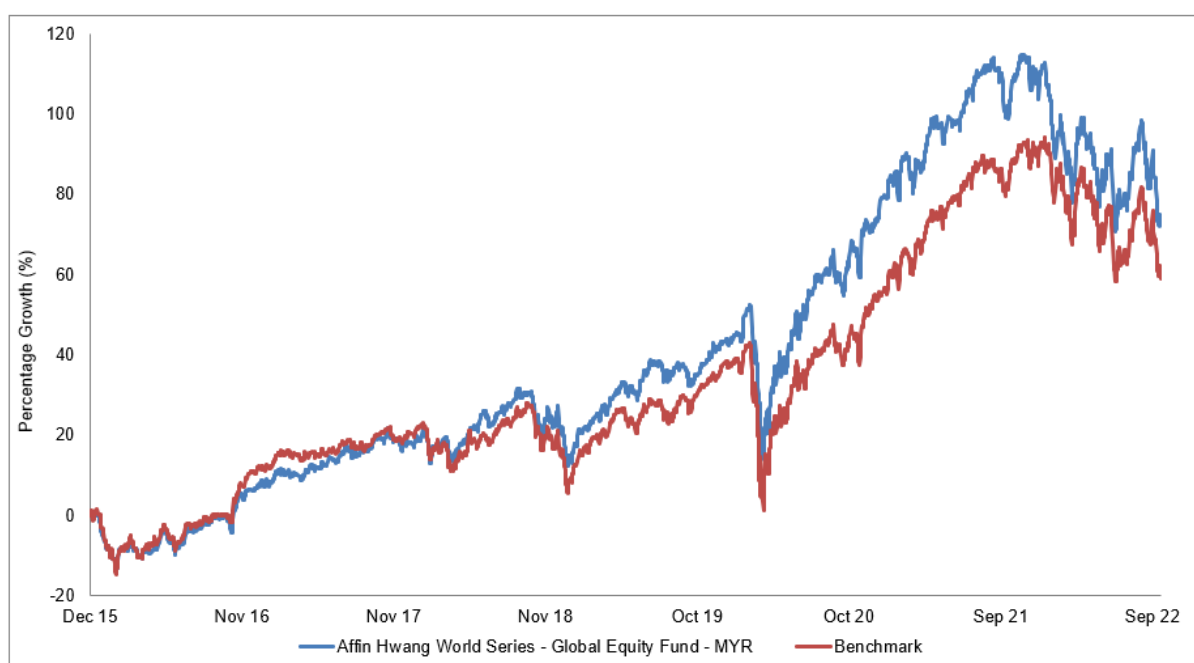
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022</b> <b>(1/10/21 - 30/9/22)</b>	<b>FYE 2021</b> <b>(1/10/20 - 30/9/21)</b>	<b>FYE 2020</b> <b>(1/10/19 - 30/9/20)</b>	<b>FYE 2019</b> <b>(1/10/18 - 30/9/19)</b>	<b>FYE 2018</b> <b>(1/10/17 - 30/9/18)</b>
<b>Fund</b>	<b>(15.03%)</b>	<b>26.57%</b>	<b>18.56%</b>	<b>3.72%</b>	<b>10.51%</b>
<b>Benchmark</b>	<b>(12.13%)</b>	<b>28.40%</b>	<b>10.16%</b>	<b>1.17%</b>	<b>7.00%</b>
<b>Outperformance</b>	<b>(2.90%)</b>	<b>(1.83%)</b>	<b>8.40%</b>	<b>2.55%</b>	<b>3.51%</b>

Source of Benchmark: Bloomberg

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



### SGD Class

For the period 1 October 2021 to 30 September 2022, the Fund registered a -19.28% return compared to the benchmark return of -16.20%. The Fund thus underperformed the Benchmark by 3.08%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 September 2022 was SGD0.7941 while the NAV as at 30 September 2021 was SGD0.9838.

Since commencement, the Fund has registered a return of 58.82% compared to the benchmark return of 51.18%, outperforming by 7.64%.

Table 1: Performance of the Fund

	<b>1 Year</b> <b>(1/10/21 - 30/9/22)</b>	<b>3 Years</b> <b>(1/10/19 - 30/9/22)</b>	<b>5 Years</b> <b>(1/10/17 - 30/9/22)</b>	<b>Since Commencement</b> <b>(14/12/15 - 30/9/22)</b>
<b>Fund</b>	<b>(19.28%)</b>	<b>18.19%</b>	<b>38.93%</b>	<b>58.82%</b>
<b>Benchmark</b>	<b>(16.20%)</b>	<b>15.91%</b>	<b>28.95%</b>	<b>51.18%</b>
<b>Outperformance</b>	<b>(3.08%)</b>	<b>2.28%</b>	<b>9.98%</b>	<b>7.64%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/21 - 30/9/22)	3 Years (1/10/19 - 30/9/22)	5 Years (1/10/17 - 30/9/22)	Since Commencement (14/12/15 - 30/9/22)
<b>Fund</b>	<b>(19.28%)</b>	<b>5.72%</b>	<b>6.79%</b>	<b>7.04%</b>
<b>Benchmark</b>	<b>(16.20%)</b>	<b>5.04%</b>	<b>5.21%</b>	<b>6.26%</b>
<b>Outperformance</b>	<b>(3.08%)</b>	<b>0.68%</b>	<b>1.58%</b>	<b>0.78%</b>

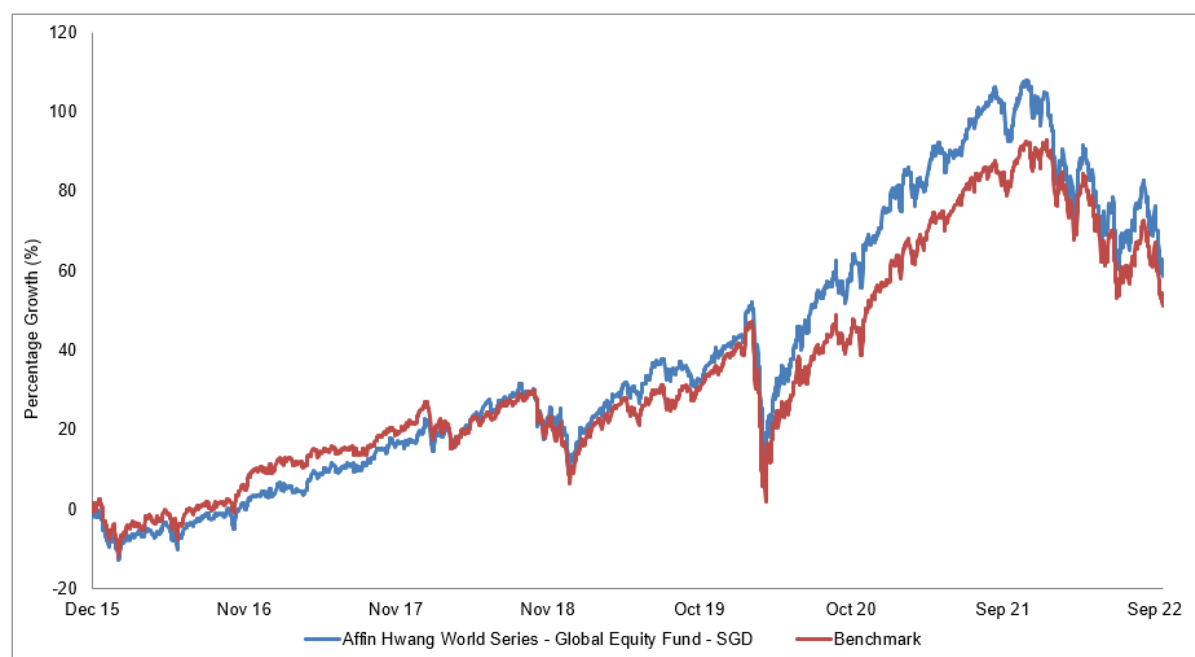
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/10/21 - 30/9/22)	FYE 2021 (1/10/20 - 30/9/21)	FYE 2020 (1/10/19 - 30/9/20)	FYE 2019 (1/10/18 - 30/9/19)	FYE 2018 (1/10/17 - 30/9/18)
<b>Fund</b>	<b>(19.28%)</b>	<b>24.78%</b>	<b>17.34%</b>	<b>3.51%</b>	<b>13.56%</b>
<b>Benchmark</b>	<b>(16.20%)</b>	<b>26.90%</b>	<b>8.32%</b>	<b>1.13%</b>	<b>10.00%</b>
<b>Outperformance</b>	<b>(3.08%)</b>	<b>(2.12%)</b>	<b>9.02%</b>	<b>2.38%</b>	<b>3.56%</b>

Source of Benchmark: Bloomberg

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



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

Benchmark: MSCI AC World Index

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

### **Asset Allocation**

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's exposure to the collective investment scheme stood at 98.42% of the Fund's NAV while the balance was held in cash & cash equivalent.



## **Strategies Employed**

The team believes that companies with superior returns on capital over the long term will deliver better performance. The stocks that make it into a client's portfolio are what the team calls 'Future Quality'. Future Quality means a company which will attain and sustain high returns on investment. The team assesses companies to understand the quality of management, the quality of the company franchise, the quality of the balance sheet and the size of the valuation opportunity. The common feature of all Future Quality companies is that the growth in future cash flow, its sustainability and the level of returns to investors is not reflected in the share price today.

The Nikko Global Equity team are long-term investors and all of the companies in the portfolio are subject to detailed bottom-up analysis – incorporating full 5-year forecasts of their cash flows. The team typically holds between 40 and 50 stocks in the portfolio.

## **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 technology 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.

In the domestic market, the Kuala Lumpur Composite Index (KLCI) dipped 7.77% in September 2022 in tandem with other markets. Commodity and plantation stocks were amongst the biggest losers on the back of recessionary risks.

On local fixed income, the 10-year MGS yield rose 43 basis points (bps) to end the month at 4.42%. As widely expected by markets, Bank Negara Malaysia (BNM) raised rates by 25 bps, effectively pushing the Overnight Policy Rate (OPR) to 2.75%, a 100 bps increase compared to 1.75% at the start of the year.

### **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.

Locally, election rumours have begun circulating. The United Malays National Organisation (UMNO) Supreme Council nominated Datuk Seri Ismail Sabri Yaakob as the Prime Minister for the 15<sup>th</sup> General Election (GE15) following a meeting between council members. According to political analysts, the timing of GE15 would be highly dependent on whether UMNO would be allowed by the Registrar of Societies (RoS) to amend its party constitution to delay its party polls. Assuming a full-term, Parliament would need to be dissolved by 16 July 2023. By the latest, election would need then to be held by 14 September 2023.

In other news, Malaysia's Consumer Price Index (CPI) for July 2022 accelerated by 4.4% year-on-year, its highest in 14 months as food and beverage prices remained as the main contributor to inflation. The latest reading marks a full percentage jump from June 2022's figures, though largely in line with consensus estimates. Bank Negara Malaysia (BNM) is still expected to remain gradual and accommodative in its current rate hiking cycle.

### **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 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**

A Fourth Supplemental Information Memorandum dated 22 March 2022 was issued mainly to inform investors of a change in the Target Fund and the Target Fund Manager and changes to the information relating to switching, board of directors of the Manager and other updates which are general in nature.

The Target Fund listed in the Information Memorandum, Nikko AM Shenton Global Opportunities Fund, is replaced with Nikko AM Global Umbrella Fund – Nikko AM Global Equity Fund.

While the Information Memorandum states the switching fee as nil, the Fourth Supplemental Information Memorandum clarifies that although the Management does not impose any switching fee, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.

## **TRUSTEE’S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL 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 Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**  
Senior Manager, Trustee Operations

**Jiva Munusamy**  
Head, Client Management

Kuala Lumpur  
15 November 2022

**AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

# **AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

<b>CONTENTS</b>	<b>PAGE(S)</b>
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2 - 3
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	4
STATEMENT OF CASH FLOWS	5
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6 - 12
NOTES TO THE FINANCIAL STATEMENTS	13 - 31
STATEMENT BY THE MANAGER	32
INDEPENDENT AUDITORS' REPORT	33 - 36

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>INVESTMENT (LOSS)/INCOME</b>			
Interest income from financial assets at amortised cost		1,315	1,775
Net gain/(loss) on foreign currency exchange		35,266	(13,669)
Net (loss)/gain on financial asset at fair value through profit or loss	8	(15,315,744)	14,095,857
		<u>(15,279,163)</u>	<u>14,083,963</u>
<b>EXPENSES</b>			
Management fee	4	(1,166,628)	(1,200,186)
Trustee fee	5	(38,909)	(40,041)
Fund accounting fee	6	(4,654)	(7,710)
Auditors' remuneration		(2,752)	(1,928)
Tax agent's fee		(839)	-
Other expenses		(2,905)	(4,313)
		<u>(1,216,687)</u>	<u>(1,254,178)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(16,495,850)	12,829,785
Taxation	7	-	-
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>(16,495,850)</u>	<u>12,829,785</u>
(Decrease)/increase in net asset attributable to unitholders is made up of the following:			
Realised amount		10,547,161	3,874,903
Unrealised amount		(27,043,011)	8,954,882
		<u>(16,495,850)</u>	<u>12,829,785</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 - GLOBAL EQUITY FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>ASSETS</b>			
Cash and cash equivalents	9	772,442	3,095,807
Amount due from broker		-	1,169,495
Amount due from Manager			
- creation of units		60,468	427,988
- management fee rebate receivables		67,976	77,197
Financial asset at fair value through profit or loss	8	48,993,071	71,099,270
<b>TOTAL ASSETS</b>		<u>49,893,957</u>	<u>75,869,757</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		78,774	114,248
- cancellation of units		25,124	2,578,069
Amount due to Trustee		2,626	3,808
Auditors' remuneration		1,916	1,928
Tax agent's fee		1,249	1,205
Other payables and accruals		3,173	3,184
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>112,862</u>	<u>2,702,442</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>49,781,095</u>	<u>73,167,315</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>49,781,095</u>	<u>73,167,315</u>



## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- MYR Class		42,768,270	63,043,335
- SGD Class		2,546,806	3,941,123
- USD Class		4,466,019	6,182,857
		<u>49,781,095</u>	<u>73,167,315</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- MYR Class	10 (a)	229,575,000	259,592,000
- SGD Class	10 (b)	4,592,000	5,451,000
- USD Class	10 (c)	5,693,000	6,046,000
		<u>239,860,000</u>	<u>271,089,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- MYR Class		0.1863	0.2429
- SGD Class		0.5546	0.7230
- USD Class		0.7845	1.0226
		<u>0.7845</u>	<u>1.0226</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- MYR Class		RM0.8637	RM1.0165
- SGD Class		SGD0.7941	SGD0.9838
- USD Class		USD0.7845	USD1.0226
		<u>USD0.7845</u>	<u>USD1.0226</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 - GLOBAL EQUITY FUND

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

	<u>2022</u> USD	<u>2021</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	73,167,315	42,849,446
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	6,862,096	46,159,027
- MYR Class	6,187,131	41,013,490
- SGD Class	340,549	2,262,852
- USD Class	334,416	2,882,685
Cancellation of units	(13,752,466)	(28,670,943)
- MYR Class	(12,214,481)	(5,939,474)
- SGD Class	(921,880)	(1,042,713)
- USD Class	(616,105)	(21,688,756)
Net (decrease)/increase in net assets attributable to unitholders during the financial year comprises of:	(16,495,850)	12,829,785
- MYR Class	(14,247,715)	6,702,682
- SGD Class	(812,986)	567,691
- USD Class	(1,435,149)	5,559,412
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>49,781,095</u>	<u>73,167,315</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 - GLOBAL EQUITY FUND

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

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		73,015,251	17,922,779
Purchase of investments		(65,839,403)	(35,090,000)
Interest received		1,315	1,775
Management fee rebate received		793,323	773,248
Management fee paid		(1,202,102)	(1,148,364)
Trustee fee paid		(40,091)	(38,314)
Fund accounting fee paid		(4,654)	(7,710)
Payments for other fees and expenses		(6,475)	(6,680)
Net realised gain/(loss) on foreign currency exchange		35,207	(13,019)
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		6,752,371	(17,606,285)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		7,229,616	45,865,338
Payments for cancellation of units		(16,305,411)	(26,213,743)
		<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities		(9,075,795)	19,651,595
		<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(2,323,424)	2,045,310
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		59	(650)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL THE YEAR</b>		3,095,807	1,051,147
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	9	772,442	3,095,807
		<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 - GLOBAL 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. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

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

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

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

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

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

## **AFFIN HWANG WORLD SERIES - GLOBAL 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 deposits with licensed financial institutions are recognised based on effective interest rate method on an accruals 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.

#### **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 - GLOBAL 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 the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges. Exchange differences arising from the change in presentation currency are recognised in other comprehensive income.

#### **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, amount due from broker and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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

## AFFIN HWANG WORLD SERIES - GLOBAL 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 initial 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 currency exchange 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 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 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 - GLOBAL 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.

#### **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.



## **AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND**

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

#### **H AMOUNT DUE FROM/(TO) BROKERS**

Amounts due from and to brokers 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 broker balance is 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 broker, probability that the broker 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 three classes of units, known respectively as the MYR Class, SGD Class and USD Class, which are cancelled at the unitholder's 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 unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

#### **J INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

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

## **AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND**

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

#### **K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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 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 USD primarily due to the following factors:

- (i) Significant portion of the Fund's NAV is in a sole investment in a collective investment scheme denominated in USD
- (ii) Significant portion of the Fund's cash and cash equivalents are denominated in USD
- (iii) Significant portion of the Fund's expenses are denominated in USD.

#### **L REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

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 Unlisted Capital Market Products under the Lodge and Launch Framework.

## **AFFIN HWANG WORLD SERIES - GLOBAL 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 Global Equity Fund (the “Fund”) pursuant to the execution of a Deed dated 9 November 2015, First Supplemental Deed dated 3 August 2016, Second Supplemental Deed dated 16 December 2019 and Third Supplemental Deed dated 27 September 2021 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”). The Fund changed its name from Affin Hwang Global Equity Fund to Affin Hwang World Series - Global Equity Fund as amended by the First Supplemental Deed dated 3 August 2016.

The Fund commenced operations on 14 December 2015 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deeds.

The functional and presentational currency of the Fund has been revised to USD effective 13 January 2020 as stipulated in the Second Supplemental Deed dated on 16 December 2019. The revision of functional and presentational currency has been made due to the changes in currency class of the Fund’s investment in Nikko AM Shenton Global Opportunities Fund from SGD Class to USD Class.

The Fund may invest any of in the following assets, subject to the Deeds, the Fund’s objective, the Guidelines, the requirements of the SC and all relevant laws:

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

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 - GLOBAL 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 cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	772,442	-	772,442
Amount due from Manager				
- creation of units		60,468	-	60,468
- management fee rebate receivables		67,976	-	60,976
Collective investment scheme	8	-	48,993,071	48,993,071
Total		<u>900,886</u>	<u>48,993,071</u>	<u>49,893,957</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		78,774	-	78,774
- cancellation of units		25,124	-	25,124
Amount due to Trustee		2,626	-	2,626
Auditors' remuneration		1,916	-	1,916
Tax agent's fee		1,249	-	1,249
Other payables and accruals		3,173	-	3,173
Total		<u>112,862</u>	<u>-</u>	<u>112,862</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	3,095,807	-	3,095,807
Amount due from broker		1,169,495	-	1,169,495
Amount due from Manager				
- creation of units		427,988	-	427,988
- management fee rebate receivables		77,197	-	77,197
Collective investment scheme	8	-	71,099,270	71,099,270
Total		<u>4,770,487</u>	<u>71,099,270</u>	<u>75,869,757</u>

## AFFIN HWANG WORLD SERIES - GLOBAL 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)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total</u> USD
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		114,248	-	114,248
- cancellation of units		2,578,069	-	2,578,069
Amount due to Trustee		3,808	-	3,808
Auditors' remuneration		1,928	-	1,928
Tax agent's fee		1,205	-	1,205
Other payables and accruals		3,184	-	3,184
Total		<u>2,702,442</u>	<u>-</u>	<u>2,702,442</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.

#### 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
<b>Quoted investment</b>		
Collective investment scheme	<u>48,993,071</u>	<u>71,099,270</u>

## AFFIN HWANG WORLD SERIES - GLOBAL 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 (continued)

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

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>(loss)/profit</u> <u>after tax/NAV</u> USD
<u>2022</u>		
-4%	50,952,794	(1,959,723)
0%	48,993,071	-
+4%	47,033,348	1,959,723
	<u>                    </u>	<u>                    </u>
<u>2020</u>		
-10%	63,989,343	(7,109,927)
0%	71,099,270	-
+10%	78,209,197	7,109,927
	<u>                    </u>	<u>                    </u>

##### (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 interest rate risk associated with deposit with a licensed financial institution is not material as the deposit is held on a short-term basis.

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/(losses). The Manager will evaluate the likely directions of a 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.

## AFFIN HWANG WORLD SERIES - GLOBAL 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 following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2022</u>			
<u>Financial assets</u>			
Malaysian Ringgit	23,444	60,468	83,912
Singapore Dollar	4,037	-	4,037
	<u>27,481</u>	<u>60,468</u>	<u>87,949</u>
		Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>	Other <u>payables*</u> USD		
Malaysian Ringgit	31,462	42,768,270	42,799,732
Singapore Dollar	-	2,546,806	2,546,806
	<u>31,462</u>	<u>45,315,076</u>	<u>45,346,538</u>
		Cash and cash <u>equivalents</u> USD	<u>Total</u> USD
<u>2021</u>			
<u>Financial assets</u>			
Malaysian Ringgit	33,605	423,709	457,314
Singapore Dollar	3,091	2,171	5,262
	<u>36,696</u>	<u>425,880</u>	<u>462,576</u>

## AFFIN HWANG WORLD SERIES - GLOBAL 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)

	Other payables* USD	Net assets attributable to unitholders USD	Total USD
<u>Financial liabilities</u>			
Malaysian Ringgit	38,983	63,043,335	63,082,318
Singapore Dollar	-	3,941,123	3,941,123
	<u>38,983</u>	<u>66,984,458</u>	<u>67,023,441</u>

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

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 by 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 (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 <u>rate</u> %	Impact on (loss)/profit after <u>tax/NAV</u> USD
<u>2022</u>		
Malaysian Ringgit	+/- 3.26	-/+ 1,394,533
Singapore Dollar	+/- 4.50	-/+ 114,492
		<u>                    </u>
<u>2021</u>		
Malaysian Ringgit	+/- 3.28	-/+ 2,054,208
Singapore Dollar	+/- 3.91	-/+ 153,882
		<u>                    </u>



## AFFIN HWANG WORLD SERIES - GLOBAL 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

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, deposit with a licensed financial institutions 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.

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

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>2022</u>			
Amount due to Manager			
- management fee	78,774	-	78,774
- cancellation of units	25,124	-	25,124
Amount due to Trustee	2,626	-	2,626
Auditors' remuneration	-	1,916	1,916
Tax agent's fee	-	1,249	1,249
Other payables and accruals	-	3,173	3,173
Net assets attributable to unitholders*	49,781,095	-	49,781,095
	<u>49,887,619</u>	<u>6,338</u>	<u>49,893,957</u>
<u>2021</u>			
Amount due to Manager			
- management fee	114,248	-	114,248
- cancellation of units	2,578,069	-	2,578,069
Amount due to Trustee	3,808	-	3,808
Auditors' remuneration	-	1,928	1,928
Tax agent's fee	-	1,205	1,205
Other payables and accruals	-	3,184	3,184
Net assets attributable to unitholders*	73,167,315	-	73,167,315
	<u>75,863,440</u>	<u>6,317</u>	<u>75,869,757</u>

\* Units are redeemed 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 these instruments typically retain them for the medium to long term return.

## AFFIN HWANG WORLD SERIES - GLOBAL 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

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.

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

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

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

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

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

	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2022</u>			
Financial Services			
- AA1	772,442	-	772,442
Others			
- NR	-	128,444	128,444
	<u>772,442</u>	<u>128,444</u>	<u>900,886</u>
<u>2021</u>			
Financial Services			
- AAA	26,663	-	26,663
- AA1	3,069,144	-	3,069,144
Others			
- NR	-	1,674,680	1,674,680
	<u>3,095,807</u>	<u>1,674,680</u>	<u>4,770,487</u>

\*Other assets consist of amount due from broker and amount due from Manager.

## AFFIN HWANG WORLD SERIES - GLOBAL 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)

##### 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.

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.

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

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2022</u>				
Financial asset at fair value through profit or loss - collective investment scheme	<u>48,993,071</u>	<u>-</u>	<u>-</u>	<u>48,993,071</u>
<u>2021</u>				
Financial asset at fair value through profit or loss - collective investment scheme	<u>71,099,270</u>	<u>-</u>	<u>-</u>	<u>71,099,270</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.

- (i) The carrying values of cash and cash equivalents, amount due from broker, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

#### 4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 1.80% 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% (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.

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, excluding of 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% (2021: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

#### 6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is USD4,654 (equivalent to: RM20,000) per annum (2021: USD7,710 (equivalent to: RM20,000) per annum).

#### 7 TAXATION

	<u>2022</u> USD	<u>2021</u> USD
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>2022</u> USD	<u>2021</u> USD
Net (loss)/profit before taxation	(16,495,850)	12,829,786
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(3,959,004)	3,079,148
Tax effects of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	3,666,998	(3,380,151)
Expenses not deductible for tax purposes	11,201	12,359
Restriction on tax deductible expenses for Wholesale Funds	280,805	288,644
Tax expense	-	-

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 8 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> USD	<u>2021</u> USD
Financial asset at fair value through profit or loss:		
- collective investment scheme – foreign	48,993,071	71,099,270
Net (loss)/gain on financial asset at fair value through profit or loss:		
- realised gain on sale of investment	10,943,224	4,332,040
- unrealised (loss)/gain on changes in fair value	(27,043,070)	8,955,532
- management fee rebate on collective investment scheme #	784,102	808,285
	<u>(15,315,744)</u>	<u>14,095,857</u>

# In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its NAV. 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 scheme have 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 – foreign

(i) Collective investment scheme – foreign as at 30 September 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Nikko AM Global Equity Fund – USD Class	6,139,483	61,389,416	48,993,071	98.42
Total collective investment scheme – foreign	<u>6,139,483</u>	<u>61,389,416</u>	<u>48,993,071</u>	<u>98.42</u>
Accumulated unrealised loss on collective investment scheme – foreign		<u>(12,396,345)</u>		
Total collective investment scheme – foreign		<u>48,993,071</u>		

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 8 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Collective investment scheme – foreign (continued)

(ii) Collective investment scheme – foreign as at 30 September 2021 are as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
Nikko AM Shenton Global Opportunities Fund – USD Class	46,048,750	56,452,545	71,099,270	97.17
Total collective investment scheme – foreign	<u>46,048,750</u>	56,452,545	<u>71,099,270</u>	<u>97.17</u>
Accumulated unrealised gain on collective investment scheme – foreign		<u>14,646,725</u>		
Total collective investment scheme – foreign		<u>71,099,270</u>		

(b) Target Fund's B holdings

(i) The Target Fund's top 10 holdings as at 30 September 2022 is as follows:

	Percentage of Target Fund's NAV %
Microsoft Corporation	6.15
Compass Group Plc	3.75
Danaher Corporation	3.49
Palomar Holdings Inc	3.31
Carlisle Companies Inc	3.18
Housing Development Finance Corporation Limited	3.03
Intercontinental Exchange, Inc	3.00
Diageo Plc	2.81
Coca-Cola Company	2.74
Progressive Corporation	2.69
Total	<u>34.15</u>





## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 8 FINANCIAL ASSET 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 2021 is as follows:  
(continued)

	Percentage of Target Fund's NAV
	%
Microsoft Corporation	6.30
Amazon.Com, Inc	3.80
Accenture Plc Class A	3.60
Carlisle Companies Inc	3.40
Adobe Inc	3.40
Sony Group Corporation	3.30
Housing Development Finance Corporation Limited	3.10
Compass Group Plc	3.00
Abbott Laboratories	2.90
Hellofresh Se	2.80
Total	<u>35.60</u>

#### 9 CASH AND CASH EQUIVALENTS

	<u>2022</u> USD	<u>2021</u> USD
Cash and bank balances	772,442	3,069,144
Deposit with a licensed financial institution	-	26,663
	<u>772,442</u>	<u>3,095,807</u>

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

	<u>2022</u> %	<u>2021</u> %
Deposit with a licensed financial institution	-	1.75

Deposit with a licensed financial institution of the Fund has an average maturity of Nil day (2021: 1 day).

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 10 NUMBER OF UNITS IN CIRCULATION

##### (a) MYR Class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year	259,592,000	110,028,000
Creation of units arising from applications	26,018,000	175,097,000
Cancellation of units	(56,035,000)	(25,533,000)
At the end of the financial year	<u>229,575,000</u>	<u>259,592,000</u>

##### (b) SGD Class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year	5,451,000	3,742,000
Creation of units arising from applications	463,000	3,259,000
Cancellation of units	(1,322,000)	(1,550,000)
At the end of the financial year	<u>4,592,000</u>	<u>5,451,000</u>

##### (c) USD Class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial year	6,046,000	23,872,000
Creation of units arising from applications	335,000	2,962,000
Cancellation of units	(688,000)	(20,788,000)
At the end of the financial year	<u>5,693,000</u>	<u>6,046,000</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 11 TRANSACTIONS WITH BROKER

- (a) Details of transactions with the broker for the financial year ended 30 September 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Nikko Asset Management Asia Ltd#	14,882,149	100.00

- (b) Details of transactions with the broker for the financial year ended 30 September 2021 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Nikko Asset Management Asia Ltd#	54,182,274	100.00

# Included in transactions with broker are trades with Nikko Asset Management Asia Ltd, a company related to the Manager amounting to USD14,882,149 (2021: USD54,182,274). The Manager is of the opinion that all transactions with the related company has been entered into in the normal course of business at agreed terms between the related parties.

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

#### 12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>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 - GLOBAL EQUITY FUND

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

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

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

	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)				
- MYR Class	3,503	653	21,285	5,170
- SGD Class	3,785	2,099	3,597	2,601
- USD Class	2,678	2,101	3,437	3,515
	2,678	2,101	3,437	3,515

#### 13 TOTAL EXPENSE RATIO ("TER")

	2022	2021
	%	%
TER	1.88	1.87

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is USD64,845,216 (2021: USD66,757,039).

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

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

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

	<u>2022</u>	<u>2021</u>
PTR (times)	0.98	0.41

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 = USD65,839,404 (2021: USD35,090,000)

total disposal for the financial year = USD60,902,533 (2021: USD19,092,274)

#### 15 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.

#### 16 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 - GLOBAL 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 31 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 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 - GLOBAL EQUITY FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Affin Hwang World Series – Global 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 31.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL 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 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 controls 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 - GLOBAL 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 - GLOBAL 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

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