



**ANNUAL REPORT**  
30 September 2023

# 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**

[aham.com.my](http://aham.com.my)

# AFFIN HWANG WORLD SERIES – GLOBAL EQUITY FUND

## Annual Report and Audited Financial Statements For the Financial Year Ended 30 September 2023

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## 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 2023 (%)	As At 30 Sep 2022 (%)	As At 30 Sep 2022 (%)
Portfolio composition			
<b>Collective investment scheme - foreign</b>	<b>97.49</b>	<b>98.42</b>	<b>98.42</b>
<b>Cash &amp; cash equivalent</b>	<b>2.51</b>	<b>1.58</b>	<b>1.58</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)	151.396	3.602	5.009	198.284	3.647	4.466	263.825	5.363	6.183
NAV per unit (in respective currencies)	0.9708	0.8385	0.8710	0.8637	0.7941	0.7845	1.0165	0.9838	1.0226
Unit in Circulation (million)	155.954	4.295	5.751	229.575	4.592	5.693	259.592	5.451	6.046
Highest NAV	1.0200	0.8834	0.9389	1.0748	1.0401	1.0895	1.0711	1.0312	1.0857
Lowest NAV	0.8741	0.7878	0.7862	0.8542	0.7941	0.7845	0.7967	0.7797	0.8078
Return of the Fund (%)	12.40	5.59	11.03	-15.03	-19.28	-23.28	26.57	24.78	25.64
- Capital Return (%)	12.40	5.59	11.03	-15.03	-19.28	-23.28	26.57	24.78	25.64
- 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			1.88			1.88	
Portfolio Turnover Ratio (times) <sup>2</sup>		0.27			0.98			1.53	

<sup>1</sup>The Fund's TER was unchanged compared to the previous financial year.

<sup>2</sup>The Fund's PTR was lower than previous year due to decreased 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

**Income Distribution / Unit Split**

No income distribution or unit split were declared for the financial year ended 30 September 2023.

**Breakdown of Distribution**

No income distribution or unit split were declared for the financial year ended 30 September 2023.

**Fund Performance****USD Class**

Table 1: Performance of the Fund

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	5 Years (1/10/18 - 30/9/23)	Since Commencement (14/12/15 - 30/9/23)
Fund	11.03%	7.02%	29.96%	74.20%
Benchmark	20.80%	22.14%	34.84%	79.80%
Outperformance	(9.77%)	(15.12%)	(4.88%)	(5.60%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	5 Years (1/10/18 - 30/9/23)	Since Commencement (14/12/15 - 30/9/23)
Fund	11.03%	2.29%	5.38%	7.37%
Benchmark	20.80%	6.89%	6.16%	7.81%
Outperformance	(9.77%)	(4.60%)	(0.78%)	(0.44%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/10/22 - 30/9/23)	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)
Fund	11.03%	(23.28%)	25.64%	18.51%	2.48%
Benchmark	20.80%	(20.66%)	27.44%	10.44%	(0.04%)
Outperformance	(9.77%)	(2.62%)	(1.80%)	8.07%	2.52%

Source of Benchmark: Bloomberg

**MYR Class**

Table 1: Performance of the Fund

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	5 Years (1/10/18 - 30/9/23)	Since Commencement (14/12/15 - 30/9/23)
Fund	12.40%	20.88%	48.64%	94.16%
Benchmark	22.32%	38.01%	52.97%	94.58%
Outperformance	(9.92%)	(17.13%)	(4.33%)	(0.42%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	5 Years (1/10/18 - 30/9/23)	Since Commencement (14/12/15 - 30/9/23)
Fund	12.40%	6.53%	8.25%	8.88%
Benchmark	22.32%	11.34%	8.87%	8.91%
Outperformance	(9.92%)	(4.81%)	(0.62%)	(0.03%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/10/22 - 30/9/23)	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)
Fund	12.40%	(15.03%)	26.57%	18.56%	3.72%
Benchmark	22.32%	(12.13%)	28.40%	9.55%	1.17%
Outperformance	(9.92%)	(2.90%)	(1.83%)	9.01%	2.55%

Source of Benchmark: Bloomberg

### **SGD Class**

Table 1: Performance of the Fund

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	5 Years (1/10/18 - 30/9/23)	Since Commencement (14/12/15 - 30/9/23)
Fund	5.59%	6.35%	29.18%	67.70%
Benchmark	14.95%	22.24%	34.75%	73.77%
Outperformance	(9.36%)	(15.89%)	(5.57%)	(6.07%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/22 - 30/9/23)	3 Years (1/10/20 - 30/9/23)	5 Years (1/10/18 - 30/9/23)	Since Commencement (14/12/15 - 30/9/23)
Fund	5.59%	2.07%	5.25%	6.85%
Benchmark	14.95%	6.92%	6.14%	7.34%
Outperformance	(9.36%)	(4.85%)	(0.89%)	(0.49%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/10/22 - 30/9/23)	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)
Fund	5.59%	(19.28%)	24.78%	17.34%	3.51%
Benchmark	14.95%	(16.20%)	26.90%	9.00%	1.13%
Outperformance	(9.36%)	(3.08%)	(2.12%)	8.34%	2.38%

Source of Benchmark: Bloomberg

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

# MANAGER'S REPORT

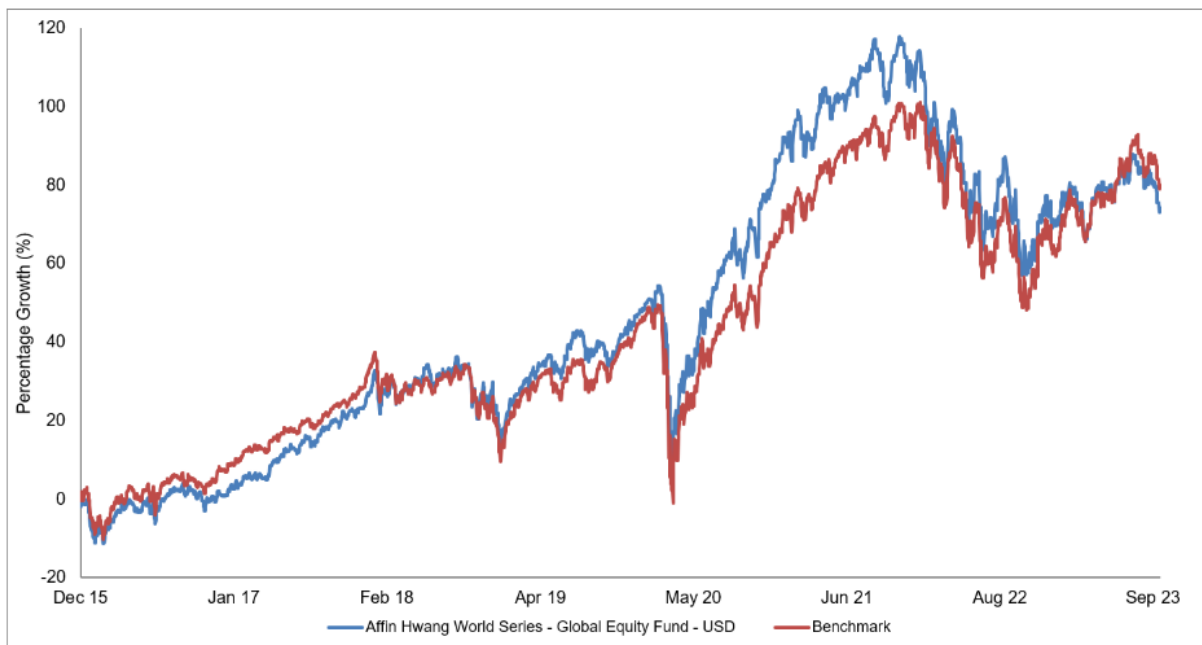
## Performance Review

### USD Class

For the period 1 October 2022 to 30 September 2023, the Fund registered a 11.03% return compared to the benchmark return of 20.80%. The Fund thus underperformed the Benchmark by 9.77%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2023 was USD0.8710 while the NAV as at 30 September 2022 was USD0.7845.

Since commencement, the Fund has registered a return of 74.20% compared to the benchmark return of 79.80%, underperforming by 5.60%.

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

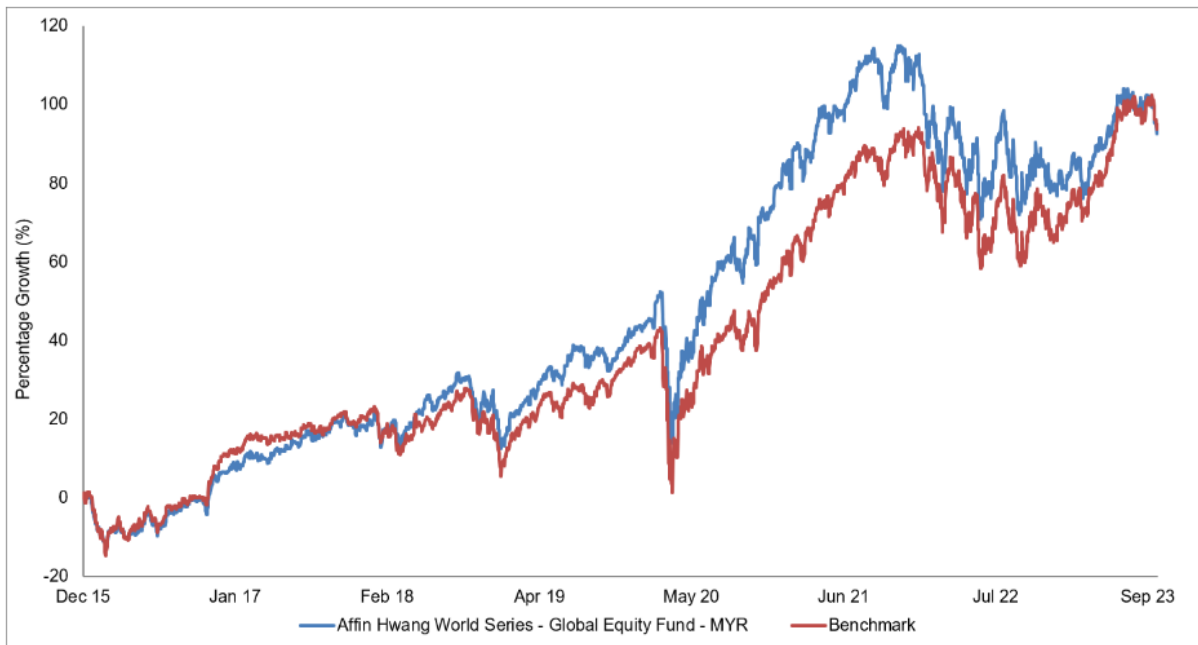


## MYR Class

For the period 1 October 2022 to 30 September 2023, the Fund registered a 12.40% return compared to the benchmark return of 22.32%. The Fund thus underperformed the Benchmark by 9.92%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2023 was MYR0.9708 while the NAV as at 30 September 2022 was MYR0.8637.

Since commencement, the Fund has registered a return of 94.16% compared to the benchmark return of 94.58%, underperforming by 0.42%.

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



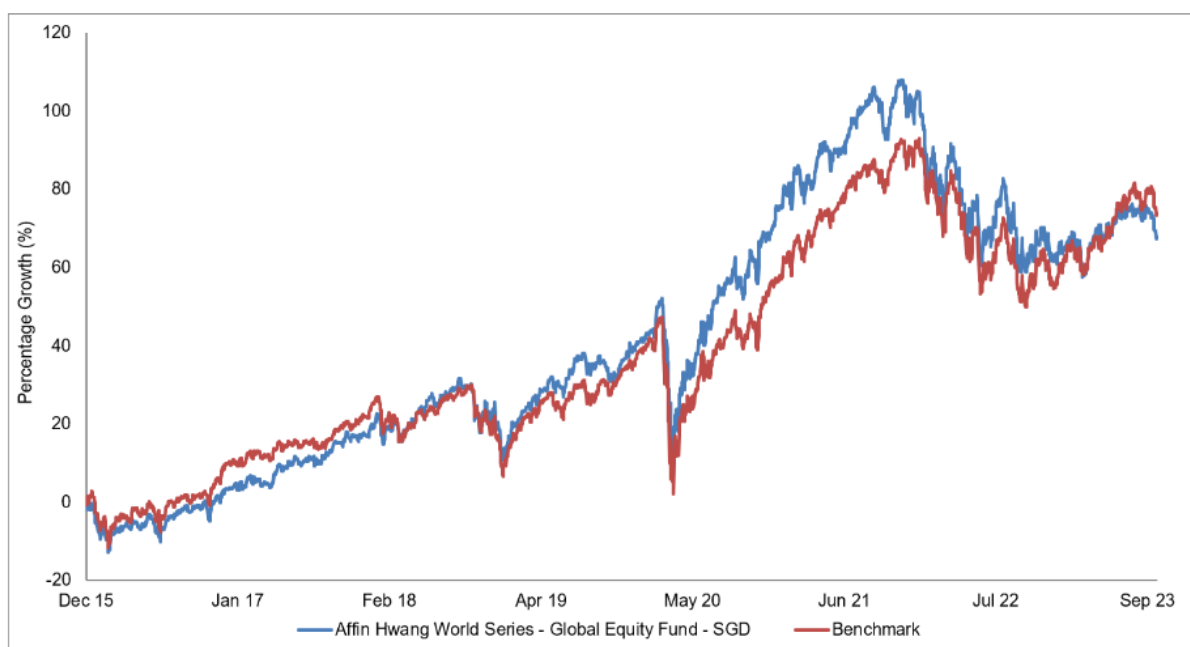


## **SGD Class**

For the period 1 October 2022 to 30 September 2023, the Fund registered a 5.59% return compared to the benchmark return of 14.95%. The Fund thus underperformed the Benchmark by 9.36%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 September 2023 was SGD0.8385 while the NAV as at 30 September 2022 was SGD0.7941.

Since commencement, the Fund has registered a return of 67.70% compared to the benchmark return of 73.77%, underperforming by 6.07%.

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



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

## **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 2023, the asset allocation of the Fund’s exposure to the collective investment scheme stood at 97.49% of the Fund’s NAV while the balance was held in cash & cash equivalent.

## **Strategies Employed**

The Target Fund Manager 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 Target Fund Manager 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**

Over the year under review, the Standard and Poor's ("S&P") 500 returned 10.75% while the Morgan Stanley Capital International ("MSCI") AC World index returned 11.99%. Specific to the Asian region, MSCI AC Asia ex Japan Index returned 8.35% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia returned -2.48%. Bond markets were neutral over the year with the Bloomberg Barclays Global Aggregate Index returning 2.95%. Domestically, bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.97%.

Market volatility persisted across the global economy as macro events and policy rate hikes over the past year affected stock and bond markets. The economic fallout from the Covid-19 pandemic coupled with the Russia-Ukraine conflict has disrupted supply chains and commodity markets, weighing heavily on global economic growth. Central banks continue to attempt rein in inflation contributed by supply-demand imbalances and volatility in energy prices among other factors through monetary policy, which inadvertently played a role in destabilising the banking sector March this year.

The US Federal Reserve ("Fed") raised their policy rates in monetary policy committee meetings since March last year, to of 5.50% in July 2023. Although holding interest rates at the September 2023 Federal Open Market Committee Meeting ("FOMC"), the central bank signalled that interest rates could stay higher for longer to keep a lid on inflation. The sharp pace of policy tightening over the past months raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks. In addition to fractures in the banking sector, other notable events over the year included the concern over the U.S. approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth. Despite narrowly avoiding a default, the U.S. did not escape unscathed as Fitch Ratings downgraded its rating on U.S. debt, quoting in a press release "The repeated debt-limit political standoffs and last-minute resolutions have eroded confidence in fiscal management,".

US equities was volatile throughout the year, as the financial sector disruption troubled markets in the first quarter of 2023, while gains in the second quarter of the year was mostly driven by the fervour and enthusiasm over new developments in artificial intelligence ("AI"). Zooming in closer on a monthly basis, although U.S. equities ended July 2023 upbeat, gains were pared back, falling 1.77% over the month of August as stronger than expected economic data spurred bond yields close at 4.11%, a new high. U.S. equities continued to swoon in September as the Fed struck a hawkish stance in its policy meeting, with the Nasdaq index plunging 5.81% as rate sensitive shares lost ground.

In Asia, despite starting off 2023 strong, Chinese equity trended downwards following the country's reopening after the pandemic started to cool before lifting in July, driven by stimulus optimism in China, evident as the MSCI China Index vaulted 9.30% in July as top party leaders unveiled measures at its Politburo meeting to reinvigorate growth in the country. Among the measures include a pledge by Beijing to provide stimulus support for its beleaguered property sector. Top party leaders also emphasised the need for measures to tackle youth unemployment as well as accelerate the issuance of local government special bonds to spur government investment. While there were no explicit announcements of blockbuster stimulus, the overall policy tone from the Politburo meeting did exceed expectations. There was an acknowledgement of pressing issues on-the-ground that could result in targeted easing measures to bolster growth and lift sentiment. Investors however remain doubtful on whether the stimulus measures would suffice to arrest the decline in growth as gains made in July were quickly neutralised by the end of August. Bright spots were seen in China's economy by September as recent purchasing managers index ("PMI") data bouncing back to expansion territory climbing to 50.2 in September from 49.7 in the previous month, beating market expectations. The 50-point threshold separates growth from contraction.

Back in Malaysia, several policy announcements by the government caught the attention of investors. These positive sentiments lifted foreign investors' confidence as they poured into local equities. These included the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the National Energy Transition Roadmap as well as the New Industrial Masterplan. There was also greater political clarity

following the conclusion of state elections. As widely expected, the Pakatan Harapan-Barisan Nasional coalition retained Selangor, Penang and Negeri Sembilan, while Perikatan Nasional held on to their strongholds in Kedah, Kelantan and Terengganu. The more recent by-elections for the Pulau Pulau parliamentary seat and Simpang Jeram state seat in Johor concluded with the Pakatan Harapan-Barisan Nasional (PH-BN) coalition defending both seats.

In line with a higher U.S. Treasury (“UST”), the MGS yields also bore the brunt selling off by +10-17bps higher month on month in September 2023, led by the long end. The MGS curve bear steepened moderately in 3Q23 as investors demand a higher risk premium on long duration in a bearish environment while the front end held up better as Bank Negara Malaysia’s (“BNM”) language in the September Monetary Policy Committee (“MPC”) meeting gave clearer signal of an extended OPR pause for the remaining of the year. The yields for 3-year, 5-year, and 10-year papers ended September 2023 at 3.58% (+12bps), 3.72% (+14bps) and 3.98% (+14bp), respectively with the 30-year yield +17bps closing the month at 4.44%. Target Fund Manager may see further correction in yields as USTs remain volatile while the domestic bond market has done relatively well over the past 8 months.

The strong U.S. growth, higher coupon supply and renewed inflation concerns following higher oil prices weighed heavily on USTs by the end of the financial year. The 2-year, 5-year and 10-year yields ended the September 2023 at 5.04% (+18bps), 4.61% (+35bps) and 4.57% (+46bps) respectively. The 30-year UST also went higher by 49bps to close at 4.70%. The inversion between the 2-year and 10-year U.S. Treasury narrowed to -47bps (Aug: -75bps).

### **Investment Outlook**

The concentration of returns in this year’s equity markets has obviously presented challenges for Target Fund Manager, but it could also pose opportunities going forward. Whilst some of the factors that have driven markets this year look likely to persist, others do not. One of those is confidence in the ongoing strength of the U.S. economy. Over the course of this year, it feels like investors have cycled through expecting a recession (post the Silicon Valley Bank collapse), then a soft landing (as inflation cooled and economic data remained firm). At times, it has even felt like “no landing” might be viewed as a realistic possibility.

As ever, monetary policy has played a key role in shaping equity investor views. Target Fund Manager remain concerned that economic activity will deteriorate over the coming months as tighter monetary conditions feed through into the real world. The mini-quantitative easing programme rolled out by the U.S. Federal Reserve in the aftermath of the Silicon Valley Bank failure considerably extended the lag between interest rate increases and their impact on the economy (along with the refinancing/terming out of debt that Target Fund Manager have written about before).

It increasingly feels like Target Fund Manager are enjoying the last gasps of this stimulus. Although BBB-spreads remain well contained, signs of stress are beginning to accumulate. Loan delinquencies are rising, and the cost of borrowing is increasing, diminishing the appetite of consumers and companies for fresh debt-fuelled spending.

Any downdraft could well be amplified by changes in political priorities. Political will is fickle at the best of times, and these are not the best of times. The resilience of construction materials and parts of the industrials sector speaks to considerable confidence in U.S. reshoring/infrastructure investment. What reshoring that has taken place would appear to be in industries where the U.S. government has offered generous financial support to offset the costs associated with moving from cheaper but geopolitically less acceptable locations. It is an open question, however, how long a government can indulge in this largesse when funding it all with increasingly expensive debt.

The U.K. also reminded us during the month that political calculus can shift quickly when confronted by rising costs. Decisions to approve a license for the development of a new gas field in the North Sea and a five-year delay to the phasing out of new petrol and diesel cars (as well as the scrapping of part of the planned high speed rail network) all speak to how quickly policy support can shift when times are tough and real-world needs come into conflicts with long-term wants.

Target Fund Manager are continuing to review our portfolios to identify those companies most likely to grow without the need for ongoing political or financial support in 2024 and thereafter. Where Target Fund Manager have confidence that this is the case, Target Fund Manager will continue to add to these positions, whether they have been in the winners enclosure in 2023 or not. Similarly, where Target Fund Manager find that a company’s business model is less resilient to economic slowdown than Target Fund Manager had originally

modelled, or one of our original pillars of Future Quality is looking unsound, Target Fund Manager will continue to sell, even if this means realising a loss.

### **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 year under review.

### **Soft Commissions received from Brokers**

Soft commissions received from brokers/dealers may be retained by the management company only if the:–

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

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

### **Cross Trade**

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

### **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 – GLOBAL EQUITY FUND (“FUND”)**

We have acted as Trustee of the Fund for the financial year ended 30 September 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM 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  
27 November 2023

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

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

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

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

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## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from financial assets at amortised cost		1,801	1,315
Net gain on foreign currency exchange		17,095	35,266
Net gain/(loss) on financial asset at fair value through profit or loss	8	6,202,818	(15,315,744)
		<u>6,221,714</u>	<u>(15,279,163)</u>
<b>EXPENSES</b>			
Management fee	4	(788,152)	(1,166,628)
Trustee fee	5	(26,272)	(38,909)
Fund accounting fee	6	(4,772)	(4,654)
Auditors' remuneration		(1,722)	(2,752)
Tax agent's fee		(281)	(839)
Other expenses		(1,884)	(2,905)
		<u>(823,083)</u>	<u>(1,216,687)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		5,398,631	(16,495,850)
Taxation	7	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>5,398,631</u>	<u>(16,495,850)</u>
Increase/(decrease) in net assets attributable to unitholders is made up of the following:			
Realised amount		(2,674,357)	10,547,161
Unrealised amount		8,072,988	(27,043,011)
		<u>5,398,631</u>	<u>(16,495,850)</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 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>ASSETS</b>			
Cash and cash equivalents	9	1,030,547	772,442
Amount due from Manager			
- creation of units		47,320	60,468
- management fee rebate receivables		55,134	67,976
Financial asset at fair value through profit or loss	8	38,914,064	48,993,071
<b>TOTAL ASSETS</b>		<u>40,047,065</u>	<u>49,893,957</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		60,427	78,774
- cancellation of units		64,347	25,124
Amount due to Trustee		2,014	2,626
Fund accounting fee		355	-
Auditors' remuneration		1,829	1,916
Tax agent's fee		806	1,249
Other payables and accruals		3,098	3,173
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>132,876</u>	<u>112,862</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>39,914,189</u>	<u>49,781,095</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>39,914,189</u>	<u>49,781,095</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- MYR Class		32,259,917	42,768,270
- SGD Class		2,644,934	2,546,806
- USD Class		5,009,338	4,466,019
		<u>39,914,189</u>	<u>49,781,095</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- MYR Class	10 (a)	155,954,000	229,575,000
- SGD Class	10 (b)	4,295,000	4,592,000
- USD Class	10 (c)	5,751,000	5,693,000
		<u>166,000,000</u>	<u>239,860,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- MYR Class		0.2069	0.1863
- SGD Class		0.6158	0.5546
- USD Class		0.8710	0.7845
		<u>0.8710</u>	<u>0.7845</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- MYR Class		RM0.9708	RM0.8637
- SGD Class		SGD0.8385	SGD0.7941
- USD Class		USD0.8710	USD0.7845
		<u>USD0.8710</u>	<u>USD0.7845</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 2023

	<u>2023</u> USD	<u>2022</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	49,781,095	73,167,315
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	4,264,962	6,862,096
- MYR Class	3,643,156	6,187,131
- SGD Class	217,913	340,549
- USD Class	403,893	334,416
Cancellation of units	(19,530,499)	(13,752,466)
- MYR Class	(18,786,199)	(12,214,481)
- SGD Class	(397,162)	(921,880)
- USD Class	(347,138)	(616,105)
Net increase/(decrease) in net assets attributable to unitholders during the financial year comprises of:	5,398,631	(16,495,850)
- MYR Class	4,634,690	(14,247,715)
- SGD Class	277,377	(812,986)
- USD Class	486,564	(1,435,149)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>39,914,189</u>	<u>49,781,095</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 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		18,694,724	73,015,251
Purchase of investments		(2,950,000)	(65,839,403)
Interest received		1,801	1,315
Management fee rebate received		549,943	793,323
Management fee paid		(806,499)	(1,202,102)
Trustee fee paid		(26,884)	(40,091)
Fund accounting fee paid		(4,772)	(4,654)
Payments for other fees and expenses		(4,137)	(6,475)
Net realised gain on foreign currency exchange		16,976	35,207
		<hr/>	<hr/>
Net cash flows generated from operating activities		15,471,152	6,752,371
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		4,278,110	7,229,616
Payments for cancellation of units		(19,491,276)	(16,305,411)
		<hr/>	<hr/>
Net cash flows used in financing activities		(15,213,166)	(9,075,795)
		<hr/>	<hr/>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		257,986	(2,323,424)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		119	59
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL THE YEAR</b>		772,442	3,095,807
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	9	1,030,547	772,442
		<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 2023**

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

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

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

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

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

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

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

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

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

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

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

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)**

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

#### **B INCOME RECOGNITION**

##### Interest income

Interest income from short-term 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 2023 (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.

#### **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 financial assets measured at 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 financial assets measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, payables for fund accounting fee, 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 2023 (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 2023 (CONTINUED)

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

##### (iii) Impairment (continued)

###### Definition of default and credit-impaired financial assets

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

###### Quantitative criteria:

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

###### Qualitative criteria:

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

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- 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 2023 (CONTINUED)**

#### **H 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.

#### **I INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

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

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

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

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

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

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

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)**

#### **J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)**

##### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in 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 the Fund's cash is denominated in USD for the purpose of making settlement of foreign trades.
- (iii) Significant portion of the Fund's expenses are denominated in USD.

#### **K REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE OF 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 - GLOBAL EQUITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

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

The financial statements were authorised for issue by the Manager on 27 November 2023.

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	1,030,547	-	1,030,547
Amount due from Manager				
- creation of units		47,320	-	47,320
- management fee rebate receivables		55,134	-	55,134
Collective investment scheme	8	-	38,914,064	38,914,064
Total		<u>1,133,001</u>	<u>38,914,064</u>	<u>40,047,065</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		60,427	-	60,427
- cancellation of units		64,347	-	64,347
Amount due to Trustee		2,014	-	2,014
Fund accounting fee		355	-	355
Auditors' remuneration		1,829	-	1,829
Tax agent's fee		806	-	806
Other payables and accruals		3,098	-	3,098
Total		<u>132,876</u>	<u>-</u>	<u>132,876</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>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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 USD</u>
<u>2022</u> (continued)				
<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>

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>2023 USD</u>	<u>2022 USD</u>
<b>Quoted investment</b>		
Collective investment scheme	<u>38,914,064</u>	<u>48,993,071</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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 profit/(loss) after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 15% (2022: 4%) and decreased by 15% (2022: 4%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted 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>profit/(loss)</u> <u>after tax/NAV</u> USD
<u>2023</u>		
-15%	33,076,954	(5,837,110)
0%	38,914,064	-
+15%	44,751,174	5,837,110
	<u>                    </u>	<u>                    </u>
<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>

##### (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 2023 (CONTINUED)

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

##### Market risk (continued)

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

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

	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2023</u>			
<u>Financial assets</u>			
Malaysian Ringgit	61,685	47,320	109,005
Singapore Dollar	125,933	-	125,933
	<u>187,618</u>	<u>47,320</u>	<u>234,938</u>
		Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>	Other <u>payables*</u> USD		
Malaysian Ringgit	65,714	32,259,917	32,325,091
Singapore Dollar	-	2,644,934	2,644,934
	<u>65,714</u>	<u>34,904,851</u>	<u>34,970,025</u>
	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>



## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

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

##### Market risk (continued)

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

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

	<u>Other payables*</u> USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>2022</u> (continued)			
<u>Financial liabilities</u>			
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>

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

The table below summarises the sensitivity of the Fund's profit/(loss) 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 profit/(loss) after <u>tax/NAV</u> USD
<u>2023</u>		
Malaysian Ringgit	+/- 6.42	-/+ 2,068,273
Singapore Dollar	+/- 5.63	-/+ 141,820
		<u>-/+ 2,210,093</u>
<u>2022</u>		
Malaysian Ringgit	+/- 3.26	-/+ 1,394,533
Singapore Dollar	+/- 4.50	-/+ 114,492
		<u>-/+ 1,509,025</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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>2023</u>			
Amount due to Manager			
- management fee	60,427	-	60,427
- cancellation of units	64,347	-	64,347
Amount due to Trustee	2,014	-	2,014
Fund accounting fee	355	-	355
Auditors' remuneration	-	1,829	1,829
Tax agent's fee	-	806	806
Other payables and accruals	-	3,098	3,098
Net assets attributable to unitholders*	39,914,189	-	39,914,189
	<u>40,041,332</u>	<u>5,733</u>	<u>40,047,065</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>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

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

##### Liquidity risk (continued)

\* Units are redeemed on demand at the unitholders' option (Note J). 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.

##### 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:

	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>			
Financial Services			
- AAA	53,553	-	53,553
- AA1	976,994	-	976,994
Others			
- Non-rated (NR)	-	102,454	102,454
	<u>1,030,547</u>	<u>102,454</u>	<u>1,133,001</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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)

	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2022</u>			
Financial Services			
- AA1	772,442	-	772,442
Others			
- Non-rated (NR)	-	128,444	128,444
	<u>772,442</u>	<u>128,444</u>	<u>900,886</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.

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the 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.

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.

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2023</u>				
Financial asset at fair value through profit or loss - collective investment scheme	38,914,064	-	-	38,914,064
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>2022</u>				
Financial asset at fair value through profit or loss - collective investment scheme	48,993,071	-	-	48,993,071
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

- (i) The carrying values of cash and cash equivalents, 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 2023, the management fee is recognised at a rate of 1.80% (2022: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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 2023, the Trustee's fee is recognised at a rate of 0.06% (2022: 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 USD4,772 (equivalent to: RM21,667) (2022: USD4,654 (equivalent to: RM20,000)) during the financial year.

#### 7 TAXATION

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

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

	<u>2023</u> USD	<u>2022</u> USD
Net profit/(loss) before taxation	5,398,631	(16,495,850)
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	1,295,671	(3,959,004)
Tax effects of:		
(Investment income not subject to tax)/		
Investment loss not brought to tax	(1,364,307)	3,666,998
Expenses not deductible for tax purposes	7,970	11,201
Restriction on tax deductible expenses for Wholesale Funds	60,666	280,805
Tax expense	-	-

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

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

	<u>2023</u> USD	<u>2022</u> USD
Financial asset at fair value through profit or loss:		
- collective investment scheme – foreign	38,914,064	48,993,071
Net gain/(loss) on financial asset at fair value through profit or loss:		
- realised (loss)/gain on sale of investment	(2,407,152)	10,943,224
- unrealised gain/(loss) on changes in fair value	8,072,869	(27,043,070)
- management fee rebate on collective investment scheme #	537,101	784,102
	<u>6,202,818</u>	<u>(15,315,744)</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 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Nikko AM Global Equity Fund Class F – USD*	4,352,804	43,237,540	38,914,064	97.49
Total collective investment scheme – foreign	<u>4,352,804</u>	<u>43,237,540</u>	<u>38,914,064</u>	<u>97.49</u>
Accumulated unrealised loss on collective investment scheme – foreign		<u>(4,323,476)</u>		
Total collective investment scheme – foreign		<u>38,914,064</u>		

\* Managed by related company of the substantial shareholder of the Manager



## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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 2022 are as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
Nikko AM Global Equity Fund Class F – USD*	6,139,483	61,389,416	48,993,071	98.42
Total collective investment scheme – foreign	<u>6,139,483</u>	61,389,416	<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>		

\* Managed by related company of the substantial shareholder of the Manager

During the financial year ended 30 September 2022, the Fund has changed its Target Fund from Nikko AM Shenton Global Opportunities Fund – Class USD to Nikko AM Global Equity Fund Class F – USD effective on 22 March 2022.

(b) Target Fund's top 10 holdings

(i) The Target Fund's top 10 holdings as at 30 September 2023 are as follows:

	<u>Percentage of Target Fund's NAV %</u>
Microsoft Corporation	7.00
Nvidia Corporation	3.50
Accenture PLC	3.50
Haleon PLC	3.10
Samsonite International SA	3.10
Worleyparsons Limited	3.00
Kellogg Brown & Root Inc	2.90
Synopsys Inc	2.90
Schlumberger NV	2.80
Compass Group PLC	2.80
Total	<u>34.60</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

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

(b) Target Fund's top 10 holdings

(ii) The Target Fund's top 10 holdings as at 30 September 2022 are as follows:  
(continued)

	<u>Percentage of Target Fund's NAV</u> %
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>

#### 9 CASH AND CASH EQUIVALENTS

	<u>2023</u> USD	<u>2022</u> USD
Cash and bank balances	976,994	772,442
Deposit with a licensed financial institution	53,553	-
	<u>1,030,547</u>	<u>772,442</u>

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

	<u>2023</u> %	<u>2022</u> %
Deposit with a licensed financial institution	<u>3.20</u>	<u>-</u>

Deposit with a licensed financial institution of the Fund has an average remaining maturity period of 3 days (2022: Nil day).

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION

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

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	229,575,000	259,592,000
Creation of units arising from applications	17,360,000	26,018,000
Cancellation of units	(90,981,000)	(56,035,000)
At the end of the financial year	<u>155,954,000</u>	<u>229,575,000</u>

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

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	4,592,000	5,451,000
Creation of units arising from applications	342,000	463,000
Cancellation of units	(639,000)	(1,322,000)
At the end of the financial year	<u>4,295,000</u>	<u>4,592,000</u>

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

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial year	5,693,000	6,046,000
Creation of units arising from applications	454,000	335,000
Cancellation of units	(396,000)	(688,000)
At the end of the financial year	<u>5,751,000</u>	<u>5,693,000</u>

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKER

- (a) Details of transactions with the broker for the financial year ended 30 September 2023 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Deutsche Bank (Malaysia) Bhd	21,644,724	100.00

- (b) 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> %
BNP Paribas Securities Services – Luxembourg	122,803,011	89.19
UBS Securities PTE Ltd Singapore	14,882,149	10.81

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (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 Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate 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 ("NAMI")	Former substantial shareholder of the Manager
Nikko Asset Management Co. Ltd ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad	Directors of the Manager

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

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

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

	<u>2023</u>		<u>2022</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)				
- MYR Class	2,375	491	3,503	653
- SGD Class	3,013	1,855	3,785	2,099
- USD Class	2,604	2,268	2,678	2,101
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

	<u>2023</u>	<u>2022</u>
	%	%
TER	1.88	1.88
	<u>          </u>	<u>          </u>

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 USD43,787,335 (2022: USD64,845,216).

## AFFIN HWANG WORLD SERIES - GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

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

	<u>2023</u>	<u>2022</u>
PTR (times)	0.27	0.98

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD2,950,000 (2022: USD65,839,404)

total disposal for the financial year = USD21,101,876 (2022: USD60,902,533 )

#### 15 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in substantial shareholders of AHAM Asset Management Berhad.

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

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

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 32 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 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 September 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**AHAM ASSET MANAGEMENT BERHAD**

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
27 November 2023



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 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 32.

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 to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - 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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - 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  
27 November 2023**

## **DIRECTORY OF SALES OFFICE**

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