

Affin Hwang World Series - Global Income Fund

Annual Report
31 August 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG WORLD SERIES – GLOBAL INCOME FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 31 August 2021

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

FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Income Fund	
Fund Type	Income	
Fund Category	Bond feeder (wholesale)	
Investment Objective	The Fund aims to provide investors with regular income through investments in global fixed income instruments	
Benchmark	Bloomberg Barclays U.S. Aggregate Index	
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income for the respective Classes in the following manner, after the end of its financial year:	
	Class(es)	Distribution Policy
	USD Class	Monthly basis
	MYR Class	
	MYR Hedged-class	
	SGD Hedged-class	Quarterly basis
	AUD Hedged-class	
	GBP Hedged-class	
	EUR Hedged-class	

BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	1
5,001 to 10,000	1	8
10,001 to 50,000	20	580
50,001 to 500,000	18	2,980
500,001 and above	9	45,315
Total	51	48,884

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE AUD HEDGED-CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	5
5,001 to 10,000	0	0
10,001 to 50,000	9	235
50,001 to 500,000	11	1,713
500,001 and above	5	25,129
Total	28	27,082

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE GBP HEDGED-CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	1
5,001 to 10,000	1	10
10,001 to 50,000	4	78
50,001 to 500,000	10	1,249
500,001 and above	3	7,661
Total	21	8,999

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE MYR CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	12	7
5,001 to 10,000	0	0
10,001 to 50,000	2	44
50,001 to 500,000	10	1,344
500,001 and above	8	13,258
Total	32	14,653

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE MYR HEDGED-CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	8	4
5,001 to 10,000	0	0
10,001 to 50,000	25	817
50,001 to 500,000	85	15,266
500,001 and above	44	247,397
Total	162	263,484

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE SGD HEDGED-CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	2	3
5,001 to 10,000	0	0
10,001 to 50,000	6	152
50,001 to 500,000	13	2,493
500,001 and above	10	36,714
Total	31	39,362

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE EUR HEDGED-CLASS AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	3	89
50,001 to 500,000	2	332
500,001 and above	0	0
Total	5	421

** Note : Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 Aug 2021 (%)	As at 31 Aug 2020 (%)	As at 31 Aug 2019 (%)
Portfolio Composition			
Collective investment scheme	98.18	96.78	97.82
Cash & cash equivalent	1.82	3.22	2.18
Total	100.00	100.00	100.00

FUND PERFORMANCE DATA (CONTINUED)

Category	As at 31 Aug 2021 (%)							As at 31 Aug 2020 (%)							As at 31 Aug 2019 (%)						
Currency class	<u>USD Class</u>	<u>AUDH Class</u>	<u>GBPH Class</u>	<u>MYR Class</u>	<u>MYRH Class</u>	<u>SGDH Class</u>	<u>EURH Class</u>	<u>USD Class</u>	<u>AUDH Class</u>	<u>GBPH Class</u>	<u>MYR Class</u>	<u>MYRH Class</u>	<u>SGDH Class</u>	<u>EURH Class</u>	<u>USD Class</u>	<u>AUDH Class</u>	<u>GBPH Class</u>	<u>MYR Class</u>	<u>MYRH Class</u>	<u>SGDH Class</u>	<u>EURH Class</u>
Total NAV (million)	26.833	14.890	4.506	8.025	150.965	20.852	0.209	28.028	26.801	8.157	12.266	174.82	20.352	1.042	36.252	29.870	10.773	14.465	192.10	25.487	1.500
NAV per Unit (in respective currencies)	0.5489	0.5498	0.5006	0.5475	0.5729	0.5297	0.4933	0.5346	0.5375	0.4903	0.5348	0.5539	0.5166	0.4845	0.5380	0.5512	0.5034	0.5437	0.5603	0.5257	0.4987
Unit in Circulation (million)	48.886	27.085	9.002	14.657	263.488	39.365	0.423	52.432	49.861	16.636	22.935	315.61	39.395	2.150	67.389	54.188	21.401	26.605	342.87	48.485	3.008
Highest NAV	0.5560	0.5590	0.5082	0.5590	0.5775	0.5368	0.5030	0.5505	0.5609	0.5121	0.5560	0.5706	0.5351	0.5064	0.5454	0.5580	0.5113	0.5475	0.5663	0.5329	0.5059
Lowest NAV	0.5290	0.5316	0.4848	0.5277	0.5484	0.5112	0.4795	0.4663	0.4700	0.4290	0.4961	0.4834	0.4512	0.4249	0.5194	0.5227	0.4928	0.5194	0.5383	0.5046	0.4821
Return of the fund (%)	6.45	6.11	5.87	6.20	7.18	6.26	5.94	2.86	0.87	0.80	1.84	3.10	1.96	0.61	5.59	4.83	3.43	8.06	5.88	4.52	2.07
- Capital Return (%)	2.67	2.29	2.10	2.37	3.43	2.54	1.82	-0.63	-2.49	-2.60	-1.64	-1.14	-1.73	-2.85	2.42	4.83	0.40	4.68	3.05	2.84	2.07
- Income Return (%)	3.68	3.73	3.69	3.73	3.62	3.63	4.05	3.52	3.44	3.50	3.53	4.29	3.75	3.56	3.10	Nil	3.02	3.23	2.74	1.64	Nil
Gross Distribution per Unit (sen)	1.97	2.01	1.81	1.98	2.02	1.88	1.96	1.822	1.81	1.68	1.86	2.31	1.89	1.69	1.63	Nil	1.50	1.69	1.50	0.85	Nil
Net Distribution per Unit (sen)	1.97	2.01	1.81	1.98	2.02	1.88	1.96	1.822	1.81	1.68	1.86	2.31	1.89	1.69	1.63	Nil	1.50	1.69	1.50	0.85	Nil
Management Expense Ratio (%) ¹	1.55							1.53							1.52						
Portfolio Turnover Ratio (times) ²	0.22							0.30							0.15						

¹ The Fund's MER was higher than previous year due to lower average net asset value of the Fund for the financial year.

² The Fund's PTR was higher than previous year due to higher 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	= (1+Capital return) x (1+Income return) – 1

MANAGER'S REPORT**Income Distribution / Unit Split**

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
23-Sep-20	24-Sep-20	0.5321	0.0017	0.5295
20-Oct-20	21-Oct-20	0.5347	0.0014	0.5337
17-Nov-20	18-Nov-20	0.5429	0.0017	0.5420
15-Dec-20	16-Dec-20	0.5494	0.0017	0.5481
19-Jan-21	20-Jan-21	0.5522	0.0015	0.5516
16-Feb-21	17-Feb-21	0.5546	0.0017	0.5520
16-Mar-21	17-Mar-21	0.5476	0.0017	0.5454
20-Apr-21	21-Apr-21	0.5492	0.0015	0.5477
18-May-21	19-May-21	0.5498	0.0017	0.5468
15-Jun-21	16-Jun-21	0.5515	0.0017	0.5494
20-Jul-21	21-Jul-21	0.5474	0.0017	0.5471
17-Aug-21	18-Aug-21	0.5478	0.0017	0.5457

AUD Hedged-class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
23-Sep-20	24-Sep-20	0.5348	0.0017	0.5321
20-Oct-20	21-Oct-20	0.5373	0.0014	0.5363
17-Nov-20	18-Nov-20	0.5459	0.0017	0.5451
15-Dec-20	16-Dec-20	0.5531	0.0017	0.5520
19-Jan-21	20-Jan-21	0.5556	0.0017	0.5548
16-Feb-21	17-Feb-21	0.5576	0.0017	0.5550
16-Mar-21	17-Mar-21	0.5501	0.0017	0.5479
20-Apr-21	21-Apr-21	0.5514	0.0017	0.5497
18-May-21	19-May-21	0.5517	0.0017	0.5487
15-Jun-21	16-Jun-21	0.5534	0.0017	0.5512
20-Jul-21	21-Jul-21	0.5484	0.0017	0.5480
17-Aug-21	18-Aug-21	0.5488	0.0017	0.5466

GBP Hedged-class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
23-Sep-20	24-Sep-20	0.4874	0.0014	0.4852
20-Oct-20	21-Oct-20	0.4898	0.0013	0.4890
17-Nov-20	18-Nov-20	0.4969	0.0017	0.4960
15-Dec-20	16-Dec-20	0.5027	0.0015	0.5016

19-Jan-21	20-Jan-21	0.5049	0.0014	0.5043
16-Feb-21	17-Feb-21	0.5071	0.0015	0.5048
16-Mar-21	17-Mar-21	0.5004	0.0017	0.4983
20-Apr-21	21-Apr-21	0.5018	0.0014	0.5003
18-May-21	19-May-21	0.5021	0.0015	0.4994
15-Jun-21	16-Jun-21	0.5036	0.0015	0.5017
20-Jul-21	21-Jul-21	0.4995	0.0017	0.4990
17-Aug-21	18-Aug-21	0.4996	0.0015	0.4977

MYR Class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
23-Sep-20	24-Sep-20	0.5306	0.0017	0.5305
20-Oct-20	21-Oct-20	0.5333	0.0014	0.5312
17-Nov-20	18-Nov-20	0.5354	0.0017	0.5321
15-Dec-20	16-Dec-20	0.5347	0.0017	0.5332
19-Jan-21	20-Jan-21	0.5371	0.0017	0.5355
16-Feb-21	17-Feb-21	0.5363	0.0017	0.5349
16-Mar-21	17-Mar-21	0.5409	0.0017	0.5396
20-Apr-21	21-Apr-21	0.5428	0.0017	0.5414
18-May-21	19-May-21	0.5443	0.0017	0.5431
15-Jun-21	16-Jun-21	0.5449	0.0014	0.5430
20-Jul-21	21-Jul-21	0.5554	0.0017	0.5560
17-Aug-21	18-Aug-21	0.5575	0.0017	0.5550

MYR Hedged-class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
23-Sep-20	24-Sep-20	0.5515	0.0017	0.5489
20-Oct-20	21-Oct-20	0.5549	0.0015	0.5539
17-Nov-20	18-Nov-20	0.5630	0.0017	0.5623
15-Dec-20	16-Dec-20	0.5699	0.0017	0.5687
19-Jan-21	20-Jan-21	0.5735	0.0017	0.5726
16-Feb-21	17-Feb-21	0.5761	0.0017	0.5735
16-Mar-21	17-Mar-21	0.5692	0.0017	0.5671
20-Apr-21	21-Apr-21	0.5711	0.0017	0.5694
18-May-21	19-May-21	0.5720	0.0017	0.5689
15-Jun-21	16-Jun-21	0.5744	0.0017	0.5723
20-Jul-21	21-Jul-21	0.5708	0.0017	0.5706
17-Aug-21	18-Aug-21	0.5718	0.0017	0.5695

SGD Hedged-class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
23-Sep-20	24-Sep-20	0.5141	0.0015	0.5116
20-Oct-20	21-Oct-20	0.5166	0.0014	0.5156
17-Nov-20	18-Nov-20	0.5244	0.0017	0.5235
15-Dec-20	16-Dec-20	0.5306	0.0016	0.5294
19-Jan-21	20-Jan-21	0.5333	0.0014	0.5327
16-Feb-21	17-Feb-21	0.5354	0.0017	0.5328
16-Mar-21	17-Mar-21	0.5283	0.0015	0.5263
20-Apr-21	21-Apr-21	0.5301	0.0017	0.5284
18-May-21	19-May-21	0.5304	0.0014	0.5277
15-Jun-21	16-Jun-21	0.5323	0.0017	0.5302
20-Jul-21	21-Jul-21	0.5283	0.0017	0.5278
17-Aug-21	18-Aug-21	0.5285	0.0015	0.5266

EUR Hedged-class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
23-Sep-20	24-Sep-20	0.4821	0.0014	0.4799
20-Oct-20	21-Oct-20	0.4843	0.0013	0.4833
17-Nov-20	18-Nov-20	0.4930	0.0016	0.4922
15-Dec-20	16-Dec-20	0.4982	0.0017	0.4972
19-Jan-21	20-Jan-21	0.5003	0.0017	0.4993
16-Feb-21	17-Feb-21	0.5017	0.0017	0.4992
16-Mar-21	17-Mar-21	0.4948	0.0017	0.4926
20-Apr-21	21-Apr-21	0.4963	0.0017	0.4938
18-May-21	19-May-21	0.4954	0.0017	0.4925
15-Jun-21	16-Jun-21	0.4965	0.0017	0.4944
20-Jul-21	21-Jul-21	0.4928	0.0017	0.4923
17-Aug-21	18-Aug-21	0.4927	0.0017	0.4905

No unit split were declared for the financial year ended 31 August 2021.

Performance Review**USD Class**

For the period 1 September 2020 to 31 August 2021, the Fund registered a 6.45% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 6.53%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was USD0.5489 while the NAV as at 31 August 2020 was USD0.5346. During the period under review, the Fund has declared a total gross income distribution of USD0.0197 per unit.

Since commencement, the Fund has registered a return of 24.93% compared to the benchmark return of 18.08%, outperforming by 6.85%. The Fund has met its investment objective.

AUD Hedged-Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 6.11% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 6.19%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was AUD0.5498 while the NAV as at 31 August 2020 was AUD0.5375. During the period under review, the Fund has declared a total gross income distribution of AUD0.0201 per unit.

Since commencement, the Fund has registered a return of 20.45% compared to the benchmark return of 18.08%, outperforming by 2.37%. The Fund has met its investment objective.

MYR Hedged-Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 7.18% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 7.26%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was MYR0.5729 while the NAV as at 31 August 2020 was MYR0.5539. During the period under review, the Fund has declared a total gross income distribution of MYR0.0202 per unit.

Since commencement, the Fund has registered a return of 29.57% compared to the benchmark return of 18.08%, outperforming by 11.49%. The Fund has met its investment objective.

SGD Hedged-Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 6.26% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 6.34%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was SGD0.5297 while the NAV as at 31 August 2020 was SGD0.5166. During the period under review, the Fund has declared a total gross income distribution of SGD0.0188 per unit.

Since commencement, the Fund has registered a return of 18.24% compared to the benchmark return of 18.08%, outperforming by 0.16%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	5 Years (1/9/16 - 31/8/21)	Since Commencement (13/6/16 - 31/8/21)
Benchmark	(0.08%)	17.21%	16.55%	18.08%
USD	6.45%	15.62%	22.04%	24.93%
Outperformance	6.53%	(1.59%)	5.49%	6.85%
AUD Hedged	6.11%	12.20%	18.50%	20.45%
Outperformance	6.19%	(5.01%)	1.95%	2.37%
MYR Hedged	7.18%	17.00%	26.93%	29.57%
Outperformance	7.26%	(0.21%)	10.38%	11.49%
SGD Hedged	6.26%	13.23%	18.24%	18.24%
Outperformance	6.34%	(3.98%)	1.69%	0.16%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	5 Years (1/9/16 - 31/8/21)	Since Commencement (13/6/16 - 31/8/21)
Benchmark	(0.08%)	5.43%	3.11%	3.23%
USD	6.45%	4.95%	4.06%	4.35%
Outperformance	6.53%	(0.48%)	0.95%	1.12%
AUD Hedged	6.11%	3.91%	3.45%	3.63%
Outperformance	6.19%	(1.52%)	0.34%	0.40%
MYR Hedged	7.18%	5.37%	4.88%	5.09%
Outperformance	7.26%	(0.06%)	1.77%	1.86%
SGD Hedged	6.26%	4.23%	3.41%	3.26%
Outperformance	6.34%	(1.20%)	0.30%	0.03%

Source of Benchmark: Bloomberg

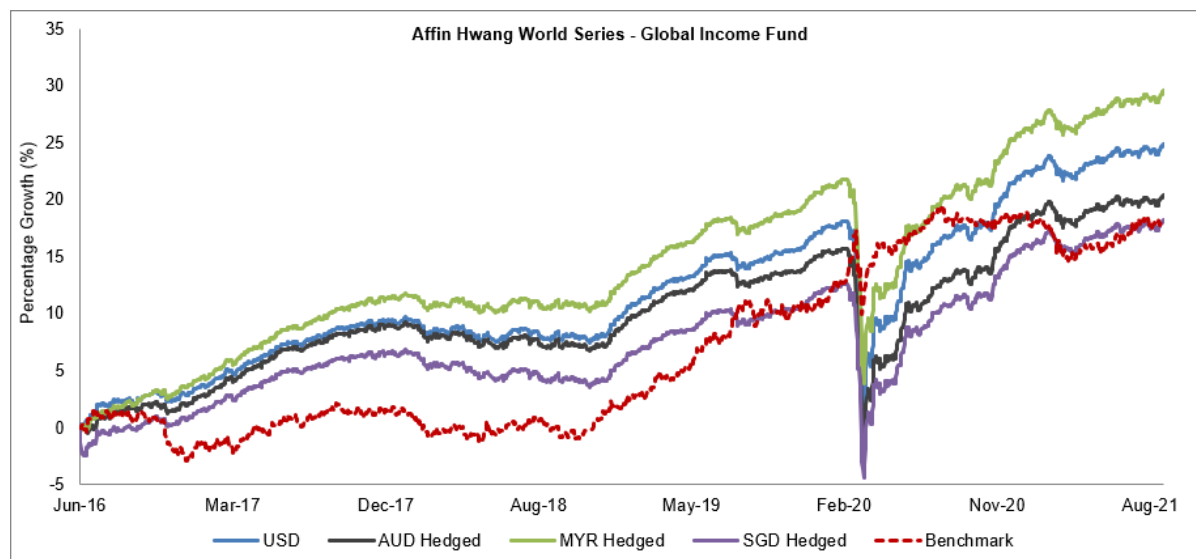
Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (1/9/18 - 31/8/19)	FYE 2018 (1/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Benchmark	(0.08%)	6.47%	10.17%	(1.05%)	1.82%
USD	6.45%	2.86%	5.59%	(0.51%)	8.60%
Outperformance	6.53%	(3.61%)	(4.58%)	0.54%	6.78%
AUD Hedged	6.11%	0.87%	4.83%	(0.68%)	8.08%

Outperformance	6.19%	(5.60%)	(5.34%)	0.37%	6.26%
MYR Hedged	7.18%	3.10%	5.88%	0.45%	10.24%
Outperformance	7.26%	(3.37%)	(4.29%)	1.50%	8.42%
SGD Hedged	6.26%	1.96%	4.52%	(1.46%)	5.96%
Outperformance	6.34%	(4.51%)	(5.65%)	(0.41%)	4.14%

Source of Benchmark: Bloomberg

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



Performance Review (1 September 2020 to 31 August 2021)

MYR Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 6.20% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 6.28%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was MYR0.5475 while the NAV as at 31 August 2020 was MYR0.5348. During the period under review, the Fund has declared a total gross income distribution of MYR0.0198 per unit.

Since commencement, the Fund has registered a return of 23.90% compared to the benchmark return of 16.57%, outperforming by 7.33%. The Fund has met its investment objective.

GBP Hedged-Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 5.87% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 5.95%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was GBP0.5006 while the NAV as at 31 August 2020 was GBP0.4903. During the period under review, the Fund has declared a total gross income distribution of GBP0.0181 per unit.

Since commencement, the Fund has registered a return of 13.09% compared to the benchmark return of 16.57%, underperforming by 3.48%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	Since Commencement (2/9/16 - 31/8/21)
--	--	---	--

Benchmark	(0.08%)	17.21%	16.57%
MYR	6.20%	16.86%	23.90%
Outperformance	6.28%	(0.35%)	7.33%
GBP Hedged	5.87%	10.38%	13.09%
Outperformance	5.95%	(6.83%)	(3.48%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	Since Commencement (2/9/16 - 31/8/21)
Benchmark	(0.08%)	5.43%	3.11%
MYR	6.20%	5.33%	4.38%
Outperformance	6.28%	(0.10%)	1.27%
GBP Hedged	5.87%	3.34%	2.49%
Outperformance	5.95%	(2.09%)	(0.62%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (1/9/18 - 31/8/19)	FYE 2018 (1/9/17 - 31/8/18)	FYE 2017 (2/9/16 - 31/8/17)
Benchmark	(0.08%)	6.47%	10.17%	(1.05%)	0.51%
MYR	6.20%	1.84%	8.06%	(4.53%)	11.06%
Outperformance	6.28%	(4.63%)	(2.11%)	(3.48%)	10.55%
GBP Hedged	5.87%	0.80%	3.43%	(1.91%)	4.44%
Outperformance	5.95%	(5.67%)	(6.74%)	(0.86%)	3.93%

Source of Benchmark: Bloomberg

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



Performance Review (1 September 2020 to 31 August 2021)

EUR Hedged-Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 5.94% return compared to the benchmark return of -0.08%. The Fund thus outperformed the Benchmark by 6.02%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was EUR0.4933 while the NAV as at 31 August 2020 was EUR0.4845. During the period under review, the Fund has declared a total gross income distribution of EUR0.0196 per unit.

Since commencement, the Fund has registered a return of 6.31% compared to the benchmark return of 18.99%, underperforming by 12.68%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	Since Commencement (22/2/18 - 31/8/21)
Benchmark	(0.08%)	17.21%	18.99%
EUR Hedged	5.94%	8.79%	6.31%
Outperformance	6.02%	(8.42%)	(12.68%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	Since Commencement (22/2/18 - 31/8/21)
Benchmark	(0.08%)	5.43%	5.05%
EUR Hedged	5.94%	2.85%	1.75%
Outperformance	6.02%	(2.58%)	(3.30%)

Source of Benchmark: Bloomberg

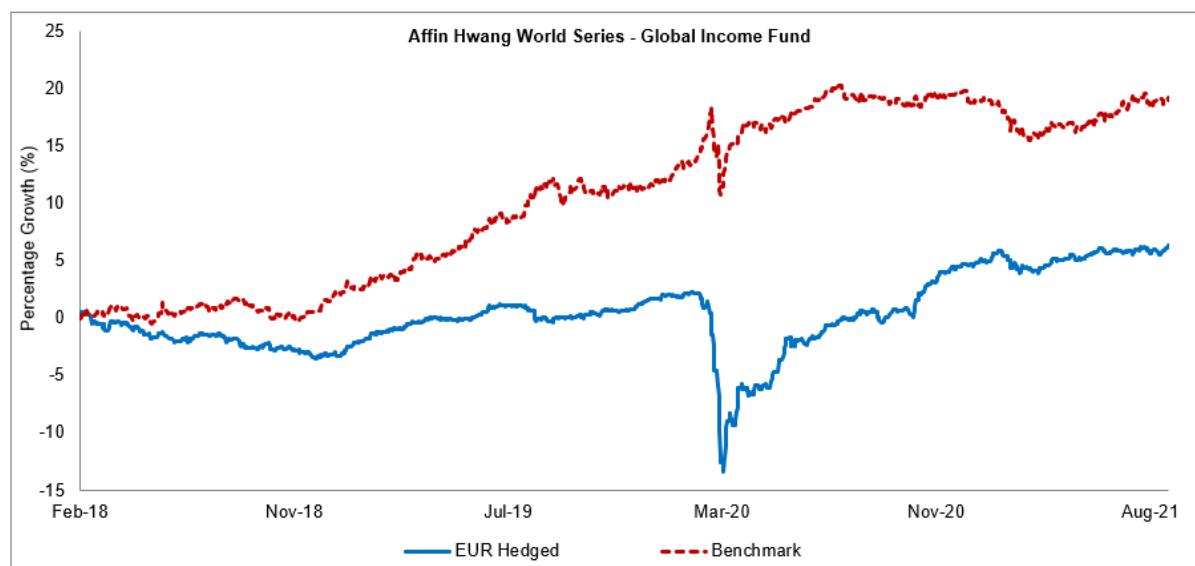
Table 3: Annual Total Return

	FYE 2021 (01/9/20 - 31/8/21)	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (01/9/18 - 31/8/19)	FYE 2018 (22/2/18 - 31/8/18)
Benchmark	(0.08%)	6.47%	10.17%	1.52%

EUR Hedged	5.94%	0.61%	2.07%	(2.28%)
Outperformance	6.02%	(5.86%)	(8.10%)	(3.80%)

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: Bloomberg Barclays U.S. Aggregate Index

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

Asset Allocation

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

As at 31 August 2021, the asset allocation of the Fund stood at 98.18% in collective investment scheme while the balance was held in cash and cash equivalent.

Strategies Employed

Strategic Liquidity – The Fund continues to focus on maintaining high levels of liquidity (cash, Treasuries and Agency MBS) to provide additional flexibility and potentially deploy capital opportunistically.

Interest Rate Strategies – The Fund maintains a moderate exposure to duration risk with a preference for U.S. rates. The exposure focuses on the intermediate portion of the yield curve where we see the most attractive opportunities. Elsewhere, the Fund holds a short position to Japanese duration, as it provides a hedge against global rates recalibrating higher. Lastly, it maintains a long exposure to U.S. TIPS to protect the portfolio against a potential increase in inflation expectations.

Mortgage-Backed Exposures – We continue to like non-Agency mortgage-backed securities due to their attractive yields and risk profile. Our exposure is mainly in senior tranches of legacy, well seasoned deals, with very solid underlying fundamentals that should be resilient even in very distressed house price scenarios. We have avoided deeply subordinated parts of the market that have stronger upside potential in positive economic scenarios, but have asymmetric downside and risk of permanent capital loss in negative scenarios. We also continue to hold select Agency MBS and senior AAA-rated tranches of CMBS. Both sectors provide "safe spread" along with an attractive risk profile in the event of a flight to quality. We remain focused on maintaining flexibility and ensuring a high level of liquidity in the portfolio – we do this by taking exposure to the CMBS market via AAA rated tranches of CMBX indices.

Corporates – Within investment grade corporates we continue to like banks due to solid fundamentals and attractive relative value although we have reduced exposure in recent months due to strong performance. We have also selectively added exposure to recovery plays such as in the transportation sector. The fund is highly selective in High Yield, with a focus on short dated senior and secured bonds from non-cyclical sectors, as well as financials given improved fundamentals and stricter regulatory oversight of the sector. The Fund also makes use of CDX which benefits from attractive relative value and superior liquidity versus cash bonds.

Emerging Markets – The Fund plans to retain exposure to sovereigns and quasi-sovereign bonds in select countries with strong initial conditions and high quality balance sheets. We also hold modest exposure to local EM rates, primarily in Mexico and South Africa, as diversifying sources of duration.

Currency – Currency positions continue to be modest as currencies can be more volatile than other asset classes. We remain tactical in our currency position, holding a long exposure to a basket of EM currencies versus the USD for additional diversification. We also have added recently a long exposure to a basket of developed market currencies (NOK, CAD) that should benefit from the cyclical recovery.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and “stay at home” trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets, while the Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 and Nasdaq index rose, buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven (“G7”) nations and North Atlantic Treaty Organisation (“NATO”) held its annual summit with political leaders from US and Europe vowing to toughen its stance on China.

Asia was dragged by the weakness in the Chinese market in July. Once again, China saw regulators cracking down on businesses, this time targeting the education sector. Authorities had banned the provision of holiday and weekend tutoring, and further said that they will no longer approve the establishment of new tuition centres. Instead, tutoring companies are being asked to register as non-profit institutions.

The local equity market's performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, demand was seen returning in March, as more investors –

including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Fiscal deficit is expected to breach above the government's target of 6.0%. With the unveiled stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia's sovereign rating.

On the monetary policy side, Bank Negara Malaysia ("BNM") kept Overnight Policy Rates ("OPR") at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia's growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers. During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

In August, Prime Minister Datuk Seri Ismail Sabri Yaakob unveiled his cabinet line-up with familiar faces at the helm. Foreigners turned net buyers in the last week of the month with net inflows rising to the tune of RM960 million which is the strongest weekly inflow since 2019.

Investment Outlook

In 2021, we expect the global growth recovery will be uneven across sectors and regions. In 2022, the rebound should likely give way to a synchronized growth moderation, albeit to a still above-trend pace. 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. Though some central banks have begun tapering asset purchase programs already in 2021, with others likely to follow, we do not expect any developed market central banks to begin hiking policy rates over our cyclical horizon. We forecast inflation in developed markets will peak in the coming months. However, the exact timing and magnitude is uncertain, largely due to supply constraints. In markets, we are seeing fewer high conviction opportunities, and we believe valuations are generally rich. We think it makes sense to be patient and focus on maintaining liquidity and flexibility in our portfolios to respond to events and opportunities.

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

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

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

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

Cross Trade

Cross trade transactions have been carried out during the reported period and the Investment Committee of the Fund has reviewed that such transaction are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a fair value basis.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL INCOME FUND

We have acted as Trustee of Affin Hwang World Series – Global Income Fund (“the Fund”) for the financial year ended 31 August 2021. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission’s Guidelines on Unlisted Capital Market Product under the Lodge Framework and other applicable laws during the financial period then ended;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial year, the total distributions of 1.98 cent per Unit for MYR class, 2.02 cent per Unit for MYR Hedged-class, 1.97 cent per Unit for USD class, 2.01 cent per Unit for AUD Hedged-class, 1.96 cent per Unit for EUR Hedged-class, 1.88 cent per Unit for SGD Hedged-class and 1.81 cent per Unit for GBP Hedged-class have been distributed to the Unitholders of the Fund. We are of the view that the distributions are not inconsistent with the objective of the Fund.

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

NORHAYATI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
15th October 2021

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

CONTENTS	PAGE(S)
STATEMENT OF COMPREHENSIVE INCOME	1 - 2
STATEMENT OF FINANCIAL POSITION	3 - 5
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	6 - 7
STATEMENT OF CASH FLOWS	8
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	9 - 15
NOTES TO THE FINANCIAL STATEMENTS	16 - 38
STATEMENT BY THE MANAGER	39
INDEPENDENT AUDITORS' REPORT	40 – 43

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
INVESTMENT INCOME			
Dividend income		3,727,726	4,805,379
Interest income from financial assets at amortised cost		1,458	3,644
Net gain on foreign currency exchange		17,225	9,294
Net gain on forward foreign currency contracts at fair value through profit or loss		1,019,924	2,629,966
Net gain/(loss) on financial assets at fair value through profit or loss	9	4,579,169	(206,075)
		<u>9,345,502</u>	<u>7,242,208</u>
EXPENSES			
Management fee	4	(1,519,971)	(1,886,195)
Trustee fee	5	(63,111)	(78,435)
Auditors' remuneration		(2,172)	(2,131)
Tax agent's fee		-	(830)
Fund accounting fee	6	(12,629)	(6,046)
Other expenses		(22,541)	(21,602)
		<u>(1,620,424)</u>	<u>(1,995,239)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		7,725,078	5,246,969
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distributions	7	(3,757,016)	(4,814,864)
NET PROFIT BEFORE TAXATION		3,968,062	432,105
Taxation	8	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>3,968,062</u>	<u>432,105</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Increase in net assets attributable to unitholders is made up of the following:			
Realised amount		4,308,139	(5,510,465)
Unrealised amount		(340,077)	5,942,570
		<u>3,968,062</u>	<u>432,105</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 INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
ASSETS			
Cash and cash equivalents	10	1,824,289	647,180
Dividend receivable		290,468	363,356
Amount due from brokers		-	275,410
Amount due from Manager			
- creation of units		54,235	829,914
- management fee rebate receivable		44,606	53,762
Financial assets at fair value through profit or loss	9	96,145,721	115,824,802
Forward foreign currency contracts at fair value through profit or loss	11	298,880	2,779,183
TOTAL ASSETS		<u>98,658,199</u>	<u>120,773,607</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	11	467,174	99,109
Amount due to brokers		27,211	-
Amount due to Manager			
- management fee		119,022	146,128
- cancellation of units		104,432	841,204
Amount due to Trustee		4,925	6,047
Auditors' remuneration		2,172	2,131
Tax agent's fee		1,146	1,977
Other payables and accruals		516	901
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)		<u>726,598</u>	<u>1,097,497</u>
NET ASSET VALUE OF THE FUND		<u>97,931,601</u>	<u>119,676,110</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>97,931,601</u>	<u>119,676,110</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		10,855,836	19,634,230
- EUR Hedged-class		246,218	1,242,585
- GBP Hedged-class		6,207,193	10,850,386
- MYR class		1,932,285	2,946,373
- MYR Hedged-class		36,350,772	41,993,735
- SGD Hedged-class		15,506,724	14,980,809
- USD class		26,832,573	28,027,992
		<u>97,931,601</u>	<u>119,676,110</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	12(a)	27,085,000	49,861,000
- EUR Hedged-class	12(b)	423,000	2,150,000
- GBP Hedged-class	12(c)	9,002,000	16,636,000
- MYR class	12(d)	14,657,000	22,935,000
- MYR Hedged-class	12(e)	263,488,000	315,605,000
- SGD Hedged-class	12(f)	39,365,000	39,395,000
- USD class	12(g)	48,886,000	52,432,000
		<u>402,906,000</u>	<u>499,014,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.4008	0.3938
- EUR Hedged-class		0.5821	0.5779
- GBP Hedged-class		0.6895	0.6522
- MYR class		0.1318	0.1285
- MYR Hedged-class		0.1380	0.1331
- SGD Hedged-class		0.3939	0.3803
- USD class		<u>0.5489</u>	<u>0.5346</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (CONTINUED)

	<u>2021</u> USD	<u>2020</u> USD
REPRESENTED BY: (CONTINUED)		
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.5498	AUD0.5375
- EUR Hedged-class	EUR0.4933	EUR0.4845
- GBP Hedged-class	GBP0.5006	GBP0.4903
- MYR class	RM0.5475	RM0.5348
- MYR Hedged-class	RM0.5729	RM0.5539
- SGD Hedged-class	SGD0.5297	SGD0.5166
- USD class	<u>USD0.5489</u>	<u>USD0.5346</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 INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>2021</u> USD	<u>2020</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	119,676,110	138,679,194
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	21,960,714	35,724,701
- AUD Hedged-class	599,960	7,115,848
- EUR Hedged-class	25,480	142,120
- GBP Hedged-class	410,752	1,952,865
- MYR class	981,190	2,083,476
- MYR Hedged-class	10,946,855	13,263,835
- SGD Hedged-class	3,691,093	5,889,269
- USD class	5,305,384	5,277,288
Creation of units arising from distributions	3,019,259	3,936,139
- AUD Hedged-class	420,593	582,270
- EUR Hedged-class	10,202	17,208
- GBP Hedged-class	160,047	245,933
- MYR class	77,440	128,967
- MYR Hedged-class	1,091,025	1,644,043
- SGD Hedged-class	363,064	324,297
- USD class	896,888	993,421
Cancellation of units	(50,692,544)	(59,096,029)
- AUD Hedged-class	(10,310,081)	(9,293,611)
- EUR Hedged-class	(1,021,246)	(633,436)
- GBP Hedged-class	(5,675,793)	(5,258,400)
- MYR class	(2,137,262)	(2,648,505)
- MYR Hedged-class	(19,352,362)	(18,090,085)
- SGD Hedged-class	(4,080,789)	(9,163,087)
- USD class	(8,115,011)	(14,008,905)

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

	<u>2021</u> USD	<u>2020</u> USD
Increase in net asset attributable to unitholders during the financial year	3,968,062	432,105
- AUD Hedged-class	511,134	1,120,867
- EUR Hedged-class	(10,803)	57,207
- GBP Hedged-class	461,801	771,996
- MYR class	64,544	(57,615)
- MYR Hedged-class	1,671,519	(506,628)
- SGD Hedged-class	552,547	(467,663)
- USD class	717,320	(486,059)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>97,931,601</u>	<u>119,676,110</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 INCOME FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		36,080,470	46,603,763
Purchase of investments		(12,082,789)	(27,965,005)
Dividend received		3,800,614	4,870,902
Interest received		1,458	3,644
Management fee rebate received		572,346	711,020
Management fee paid		(1,547,077)	(1,911,438)
Trustee fee paid		(64,233)	(79,479)
Payments for other fees and expenses		(38,517)	(31,201)
Realised gain/(loss) on forward foreign currency contracts		3,868,292	(1,855,596)
Net realised gain on foreign currency exchanges		9,973	17,085
Net cash flows generated from operating activities		<u>30,600,537</u>	<u>20,363,695</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		22,736,393	35,276,544
Payments for cancellation of units		(51,429,316)	(58,801,079)
Payments for distributions		(737,757)	(878,725)
Net cash flows used in financing activities		<u>(29,430,680)</u>	<u>(24,403,260)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,169,857	(4,039,565)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		7,252	(7,791)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>647,180</u>	<u>4,694,536</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10	<u>1,824,289</u>	<u>647,180</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 INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

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, International Financial Reporting Standards ("MFRS").

The preparation of financial statements in conformity with MFRS 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 M.

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

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'

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.
- 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.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

B INCOME RECOGNITION

Dividend income

Dividend income for financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

Interest income

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

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

Realised gains and losses on sale of investments

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

C DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

D 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.

E 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 INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

F 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.

G 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 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 are measured at fair value through profit or loss.

Investments 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, dividend receivable, amount due from brokers and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to brokers, 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 INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign 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 period 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.

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:

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets (continued)

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.

H 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I CREATION AND CANCELLATION OF UNITS

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

The Fund issues cancellable units, in seven classes of units, known respectively as the AUD Hedged-class, EUR Hedged-class, GBP Hedged-class, MYR class, MYR Hedged-class, SGD Hedged-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 statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

I CREATION AND CANCELLATION OF UNITS (CONTINUED)

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 AMOUNTS 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 G 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.

K INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

L DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

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

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

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

M 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 Commissions'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) 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 and expenses.
- iii) Significant portion of the Fund's expenses are denominated in USD.

N REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Global Income Fund (the "Fund") pursuant to the execution of a Deed dated 21 April 2016 as modified by the Supplemental Deed dated 10 August 2016, Second Supplemental Deed dated 7 December 2017 and Third Supplemental Deed dated 26 January 2018 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and TMF Trustees Malaysia Berhad (the "Trustee"). The Fund has changed its name from Affin Hwang Global Income Fund to Affin Hwang World Series - Global Income Fund dated 10 August 2016.

The Fund commenced operations on 13 June 2017 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

The Fund may invest any of in the following assets, subject to the Deed, the Fund's objective, the Guidelines, the requirements of the Securities Commission ("SC") and all relevant laws:

- (a) Collective investment scheme;
- (b) Money market instruments;
- (c) Fixed deposits;
- (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 provide investors with regular income through investments in global fixed income instruments.

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 October 2021.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	At amortised cost USD	At fair value through profit or loss USD	Total USD
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	1,824,289	-	1,824,289
Dividend receivable		290,468	-	290,468
Amount due from Manager				
- creation of units		54,235	-	54,235
- management fee rebate receivable		44,606	-	44,606
Collective investment scheme	9	-	96,145,721	96,145,721
Forward foreign currency contracts	11	-	298,880	298,880
Total		<u>2,213,598</u>	<u>96,444,601</u>	<u>98,658,199</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	467,174	467,174
Amount due to Manager				
- management fee		119,022	-	119,022
- cancellation of units		104,432	-	104,432
Amount due to Trustee		4,925	-	4,925
Amount due to brokers		27,211	-	27,211
Auditors' remuneration		2,172	-	2,172
Tax agent's fee		1,146	-	1,146
Other payables and accruals		516	-	516
Total		<u>259,424</u>	<u>467,174</u>	<u>726,598</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	647,180	-	647,180
Dividend receivable		363,356	-	363,356
Amount due from broker		275,410	-	275,410
Amount due from Manager				
- creation of units		829,914	-	829,914
- management fee rebate receivable		53,762	-	53,762
Collective investment scheme	9	-	115,824,802	115,824,802
Forward foreign currency contracts	11	-	2,779,183	2,779,183
Total		<u>2,169,622</u>	<u>118,603,985</u>	<u>120,773,607</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2020 (continued)</u>				
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	99,109	99,109
Amount due to Manager				
- management fee		146,128	-	146,128
- cancellation of units		841,204	-	841,204
Amount due to Trustee		6,047	-	6,047
Auditors' remuneration		2,131	-	2,131
Tax agent's fee		1,977	-	1,977
Other payables and accruals		901	-	901
Total		<u>998,388</u>	<u>99,109</u>	<u>1,097,497</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>2021</u> USD	<u>2020</u> USD
Quoted investment		
Collective investment scheme	<u>96,145,721</u>	<u>115,824,802</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the CIS, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> USD
<u>2021</u>		
-10%	86,531,149	(9,614,572)
0%	96,145,721	-
+10%	105,760,293	9,614,572
	<u> </u>	<u> </u>
<u>2020</u>		
-10%	104,242,322	(11,582,480)
0%	115,824,802	-
+10%	127,407,282	11,582,480
	<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 the interest rate risk is mainly confined to short term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short term basis.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the carrying value of the deposits are held on a short term basis.

(c) Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (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:

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	13,892	3,580	-	17,472
Euro	-	15,222	-	15,222
Malaysia Ringgit	223,201	57,521	54,235	334,957
British Pound Sterling	-	29,897	-	29,897
Singapore Dollar	61,787	1,284	-	63,071
	<u>298,880</u>	<u>107,504</u>	<u>54,235</u>	<u>460,619</u>
	Forward foreign currency contracts USD	Amount due to Manager USD	Net assets attributable to unitholders USD	Total USD
<u>Financial liabilities</u>				
Australian Dollar	328,937	-	10,855,836	11,184,773
Euro	8,132	-	246,218	254,350
Malaysia Ringgit	29,830	67,430	38,283,057	38,380,317
British Pound Sterling	59,107	23,336	6,207,193	6,289,636
Singapore Dollar	41,168	-	15,506,724	15,547,892
	<u>467,174</u>	<u>90,766</u>	<u>71,099,028</u>	<u>71,656,968</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency <u>contracts</u> USD	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2020</u>				
<u>Financial assets</u>				
Australian Dollar	1,129,102	203,605	236,914	1,569,621
Euro	69,926	37,419	11,701	119,046
Malaysia Ringgit	726,931	64,990	26,111	818,032
British Pound Sterling	571,789	37,081	219	609,089
Singapore Dollar	281,435	2,859	-	284,294
	<u>2,779,183</u>	<u>345,954</u>	<u>274,945</u>	<u>3,400,082</u>
	Forward foreign currency <u>contracts</u> USD	Amount due to <u>Manager</u> USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Australian Dollar	-	201,977	19,634,230	19,836,207
Euro	-	-	1,242,585	1,242,585
Malaysia Ringgit	77,886	120,268	44,940,108	45,138,262
British Pound Sterling	-	518,959	10,850,386	11,369,345
Singapore Dollar	21,223	-	14,980,809	15,002,032
	<u>99,109</u>	<u>841,204</u>	<u>91,648,118</u>	<u>92,588,431</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's 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 rate %	Impact on profit after tax/ NAV USD
<u>2021</u>		
Australian Dollar	+/- 8.89	-/+ 992,773
Euro	+/- 5.44	-/+ 13,009
Malaysian Ringgit	+/- 3.32	-/+ 1,273,234
British Pound Sterling	+/- 8.48	-/+ 504,957
Singapore Dollar	+/- 3.98	-/+ 616,296
<u>2020</u>		
Australian Dollar	+/- 13.88	-/+ 2,535,402
Euro	+/- 8.66	-/+ 97,298
Malaysian Ringgit	+/- 6.27	-/+ 2,778,878
British Pound Sterling	+/- 13.30	-/+ 1,431,114
Singapore Dollar	+/- 5.51	-/+ 810,947

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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Liquidity risk (continued)

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

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

	Within one month USD	Between one month to one year USD	Total USD
<u>2021</u>			
Amount due to Manager			
- management fee	119,022	-	119,022
- cancellation of units	104,432	-	104,432
Amount due to Trustee	4,925	-	4,925
Amount due to brokers	27,211	-	27,211
Auditors' remuneration	-	2,172	2,172
Tax agent's fee	-	1,146	1,146
Other payables and accruals	-	516	516
Forward foreign currency contracts	98,203	368,971	467,174
Net assets attributable to unitholders*	97,931,601	-	97,931,601
	<u>98,285,394</u>	<u>372,805</u>	<u>98,658,199</u>
<u>2020</u>			
Amount due to Manager			
- management fee	146,128	-	146,128
- cancellation of units	841,204	-	841,204
Amount due to Trustee	6,047	-	6,047
Auditors' remuneration	-	2,131	2,131
Tax agent's fee	-	1,977	1,977
Other payables and accruals	-	901	901
Forward foreign currency contracts	44,824	54,285	99,109
Net assets attributable to unitholders*	119,676,110	-	119,676,110
	<u>120,714,313</u>	<u>59,294</u>	<u>120,773,607</u>

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

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Credit risk

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

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

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

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

	Forward foreign currency <u>contracts</u> USD	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2021</u>				
Financial Services				
- AA1	-	1,776,126	-	1,776,126
- AA2	109,966	-	-	109,966
- AA3	64,617	-	-	64,617
- AAA	121,142	48,163	-	169,305
- NR	3,155	-	389,309	293,623
	<u>298,880</u>	<u>1,824,289</u>	<u>389,309</u>	<u>2,512,478</u>

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

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (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)

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Other assets* USD	Total USD
<u>2020</u>				
Financial Services				
- AAA	1,406,071	57,668	45,120	1,508,859
- AA1	-	589,512	-	589,512
- AA2	350,841	-	31,050	381,891
- AA3	348,646	-	-	348,646
- NR	673,625	-	1,446,272	2,119,897
	<u>2,779,183</u>	<u>647,180</u>	<u>1,522,442</u>	<u>4,948,805</u>

*Other assets consist of dividend receivable, amount due from broker and amount due from Manager.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

Capital risk

The capital of the Fund is represented by the 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 ESTIMATIONS

Financial instruments comprise financial assets and financial liabilities. Fair value is 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 period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets 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 INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

3 FAIR VALUE ESTIMATIONS (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>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	96,145,721	-	-	96,145,721
- forward foreign currency contracts	-	298,880	-	298,880
	<u>96,145,721</u>	<u>298,880</u>	<u>-</u>	<u>96,444,601</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	467,174	-	467,174
	<u>-</u>	<u>467,174</u>	<u>-</u>	<u>467,174</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	115,824,802	-	-	115,824,802
- forward foreign currency contracts	-	2,779,183	-	2,779,183
	<u>115,824,802</u>	<u>2,779,183</u>	<u>-</u>	<u>118,603,985</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	99,109	-	99,109
	<u>-</u>	<u>99,109</u>	<u>-</u>	<u>99,109</u>

Investment whose value is 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 this instrument.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

3 FAIR VALUE ESTIMATIONS (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

4 MANAGEMENT FEE

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

For the financial year ended 31 August 2021, the management fee is recognised at a rate of 1.45% (2020: 1.45%) per annum on the NAV of the Fund, calculated on a daily basis.

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

5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund excluding of foreign custodian fees and charges.

For the financial year ended 31 August 2021, the Trustee fee is recognised at a rate of 0.06% (2020: 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.

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 USD12,629 (equivalent of: RM52,000) per annum.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

7 DISTRIBUTIONS

	<u>2021</u> USD	<u>2020</u> USD
Distributions to unitholders are from the following sources:		
Dividend income	3,401,420	4,268,794
Previous years' realised income	355,596	546,070
Gross realised income	3,757,016	4,814,864
Less: Expenses	-	-
Net distribution amount	<u>3,757,016</u>	<u>4,814,864</u>

	Gross/Net distribution per unit (cent/sen)						
	AUD	EUR	GBP	MYR	SGD		
	Hedged- class	Hedged- class	Hedged- class	MYR class	Hedged- class	Hedged- class	USD class
	AUD	EUR	GBP	RM	RM	SGD	USD
<u>2021</u>							
24.09.2020	0.17	0.14	0.14	0.17	0.17	0.15	0.17
21.10.2020	0.14	0.13	0.13	0.14	0.15	0.14	0.14
18.11.2020	0.17	0.16	0.17	0.17	0.17	0.17	0.17
16.12.2020	0.17	0.17	0.15	0.17	0.17	0.16	0.17
20.01.2021	0.17	0.17	0.14	0.17	0.17	0.14	0.15
17.02.2021	0.17	0.17	0.15	0.17	0.17	0.17	0.17
17.03.2021	0.17	0.17	0.17	0.17	0.17	0.15	0.17
21.04.2021	0.17	0.17	0.14	0.17	0.17	0.17	0.15
19.05.2021	0.17	0.17	0.15	0.17	0.17	0.14	0.17
16.06.2021	0.17	0.17	0.15	0.14	0.17	0.17	0.17
21.07.2021	0.17	0.17	0.17	0.17	0.17	0.17	0.17
18.08.2021	0.17	0.17	0.15	0.17	0.17	0.15	0.17
	2.01	1.96	1.81	1.98	2.02	1.88	1.97

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

7 DISTRIBUTIONS (CONTINUED)

	Gross/Net distribution per unit (cent/sen)						
	AUD	EUR	GBP	MYR	MYR	SGD	USD
	Hedged- class	Hedged- class	Hedged- class	MYR class	Hedged- class	Hedged- class	USD class
	AUD	EUR	GBP	RM	RM	SGD	USD
<u>2020</u>							
18.9.2019	-	-	-	0.16	0.50	0.12	0.120
16.10.2019	-	-	-	-	-	-	0.002
20.11.2019	-	-	-	0.17	-	-	0.170
18.12.2019	0.45	0.45	0.45	0.17	0.45	0.45	0.170
15.1.2020	0.17	0.17	0.17	0.17	0.17	0.17	0.170
19.2.2020	0.17	0.17	0.16	0.17	0.17	0.17	0.170
18.3.2020	0.17	0.17	0.15	0.17	0.17	0.17	0.170
15.4.2020	0.17	0.14	0.16	0.17	0.17	0.17	0.170
20.5.2020	0.17	0.15	0.15	0.17	0.17	0.17	0.170
17.6.2020	0.17	0.15	0.15	0.17	0.17	0.17	0.170
15.7.2020	0.17	0.15	0.15	0.17	0.17	0.15	0.170
19.8.2020	0.17	0.14	0.14	0.17	0.17	0.15	0.170
	<u>1.81</u>	<u>1.69</u>	<u>1.68</u>	<u>1.86</u>	<u>2.31</u>	<u>1.89</u>	<u>1.822</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation for the respective classes.

Included in distribution for the financial year is an amount of USD355,596 (2020: USD546,070) made from previous years' realised income.

During the financial year ended 31 August 2021, the Fund incurred unrealised loss of USD340,077 (2020: USD Nil).

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

8 TAXATION

	<u>2021</u> USD	<u>2020</u> USD
Current taxation	-	-

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

	<u>2021</u> USD	<u>2020</u> USD
Net profit before finance cost and taxation	7,725,078	5,246,969
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	1,854,019	1,259,273
Tax effects of:		
Investment income not subject to tax	(2,242,921)	(1,738,131)
Expenses not deductible for tax purposes	23,107	25,179
Restrictions on tax deductible expenses for Wholesale Fund	365,795	453,679
Tax expense	-	-

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> USD	<u>2020</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme – foreign	96,145,721	115,824,802
Net gain/(loss) on assets at fair value through profit or loss		
- realised gain/(loss) on sale of investments	1,514,941	(2,372,201)
- unrealised gain on changes in fair value	2,501,038	1,464,799
- management fee rebate on collective investment scheme#	563,190	701,327
	4,579,169	(206,075)

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investments in collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

(a) Collective investment scheme – foreign

(i) Collective investment scheme – foreign as at 31 August 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
PIMCO Funds GIS Income Fund	7,900,224	91,207,477	96,145,721	98.18
Total collective investment scheme – foreign	<u>7,900,224</u>	<u>91,207,477</u>	<u>96,145,721</u>	<u>98.18</u>
Accumulated unrealised gain on collective investment scheme – foreign		<u>4,938,244</u>		
Total collective investment scheme – foreign		<u>96,145,721</u>		

(ii) Collective investment scheme as at 31 August 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
PIMCO Funds GIS Income Fund	9,882,662	113,387,596	115,824,802	96.78
Total collective investment scheme – foreign	<u>9,882,662</u>	<u>113,387,596</u>	<u>115,824,802</u>	<u>96.78</u>
Accumulated unrealised gain on collective investment scheme – foreign		<u>2,437,206</u>		
Total collective investment scheme – foreign		<u>115,824,802</u>		

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

10 CASH AND CASH EQUIVALENTS

	<u>2021</u> USD	<u>2020</u> USD
Cash and bank balances	1,776,126	589,512
Deposit with a licensed financial institution	48,163	57,668
	<u>1,824,289</u>	<u>647,180</u>

The weighted average effective interest rates per annum of deposit with a licensed financial institution is as follows:

	<u>2021</u> %	<u>2020</u> %
Deposit with a licensed financial institution	<u>1.75</u>	<u>1.75</u>

Deposit with a licensed financial institution have an average maturity of 1 day (2020: 1 day).

11 FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 August 2021, there are 42 (2020: 66) forward foreign currency contracts outstanding. The notional principal amounts of the outstanding forward foreign currency contracts amounted to USD190,856,210 (2020: USD85,881,899). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from investments in hedged classes denominated in foreign currencies such as Australian Dollar, Euro, British Pound Sterling, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year, the changes in the fair value of the forward foreign currency contracts are recognised immediately in profit or loss.

12 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	49,861,000	54,188,000
Creation of units arising from applications	1,466,065	19,120,680
Creation of units arising from distributions	1,030,589	1,622,634
Cancellation of units	<u>(25,272,654)</u>	<u>(25,070,314)</u>
At the end of the financial year	<u>27,085,000</u>	<u>49,861,000</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

12 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) EUR Hedged-class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	2,150,000	3,008,000
Creation of units arising from applications	42,262	254,501
Creation of units arising from distributions	17,464	32,337
Cancellation of units	(1,786,726)	(1,144,838)
At the end of the financial year	<u>423,000</u>	<u>2,150,000</u>

(c) GBP Hedged-class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	16,636,000	21,401,000
Creation of units arising from applications	601,089	3,132,573
Creation of units arising from distributions	236,414	396,177
Cancellation of units	(8,471,503)	(8,293,750)
At the end of the financial year	<u>9,002,000</u>	<u>16,636,000</u>

(d) MYR class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	22,935,000	26,605,000
Creation of units arising from applications	7,444,613	16,180,597
Creation of units arising from distributions	592,261	1,020,005
Cancellation of units	(16,314,874)	(20,870,602)
At the end of the financial year	<u>14,657,000</u>	<u>22,935,000</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

12 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) MYR Hedged-class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	315,605,000	342,872,000
Creation of units arising from applications	79,854,126	99,846,375
Creation of units arising from distributions	7,948,035	12,642,781
Cancellation of units	(139,919,161)	(139,756,156)
At the end of the financial year	<u>263,488,000</u>	<u>315,605,000</u>

(f) SGD Hedged-class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	39,395,000	48,485,000
Creation of units arising from applications	9,443,887	15,676,057
Creation of units arising from distributions	924,966	874,729
Cancellation of units	(10,398,853)	(25,640,786)
At the end of the financial year	<u>39,365,000</u>	<u>39,395,000</u>

(g) USD class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	52,432,000	67,389,000
Creation of units arising from applications	9,691,182	9,828,342
Creation of units arising from distributions	1,645,407	1,890,063
Cancellation of units	(14,882,589)	(26,675,405)
At the end of the financial year	<u>48,886,000</u>	<u>52,432,000</u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

13 TRANSACTIONS WITH BROKERS

- (a) Details of transactions with the brokers for the financial year ended 31 August 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Brown Brothers Harriman And Co.	45,915,060	95.83
State Street Bank	2,000,000	4.17
	<u>47,915,060</u>	<u>100.00</u>

- (b) Details of transactions with the broker for the financial year ended 31 August 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Brown Brothers Harriman and Co.	<u>74,829,173</u>	<u>100.00</u>

There is no brokerage fee paid to the brokers during the financial year.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
Lembaga Tabung Angkatan Tentera ("LTAT")	Ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

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

	<u>2021</u>		<u>2020</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- AUD Hedged-class	2,716	1,089	2,412	950
- EUR Hedged-class	2,285	1,330	2,118	1,224
- GBP Hedged-class	3,718	2,564	3,015	1,966
- MYR class	3,095	408	3,411	438
- MYR Hedged-class	3,493	482	3,148	419
- SGD Hedged-class	2,721	1,072	3,728	1,418
- USD class	3,020	1,658	2,876	1,538
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

15 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2021</u> %	<u>2020</u> %
MER	<u>1.55</u>	<u>1.53</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year ended 31 August 2021 calculated on a daily basis is USD105,179,259 (2020: USD130,717,620).

16 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>0.22</u>	<u>0.30</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD12,110,000 (2020: USD27,950,000)
total disposal for the financial year = USD34,290,119 (2020: USD49,251,374)

17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME 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 38 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2021 in accordance with the Malaysia Financial Reporting Standards, 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 October 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series - Global Income Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2021, and the statement of comprehensive income, changes in net assets attributable to unitholders and statement of cash flows for the year ended 31 August 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 38.

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 INCOME FUND (CONTINUED)

REPORT ON THE FINANCIAL STATEMENTS

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement 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.

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

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

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 October 2021

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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

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

PENANG

Affin Hwang Asset Management Berhad
No. 10-C-24 Precinct 10
Jalan Tanjung Tokong
10470 Penang

Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK

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

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

MELAKA

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

Tel : 06 – 281 2890 / 3269
Fax : 06 – 281 2937

JOHOR

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

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

SABAH

Affin Hwang Asset Management Berhad
Lot No. B-2-09, 2nd Floor
Block B, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah

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

DIRECTORY OF SALES OFFICE (CONTINUED)

SARAWAK

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

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

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

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

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)