



ANNUAL REPORT
31 August 2023

Affin Hwang World
Series - **Global Climate
Change Fund**

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

TRUSTEE
Deutsche Trustees Malaysia Berhad
(763950-H)

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AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

Annual Reports and Audited Financial Statements For The Financial Year Ended 31 August 2023

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

FUND INFORMATION

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

FUND PERFORMANCE DATA

Category	As at 31 Aug 2023 (%)	As at 31 Aug 2022 (%)	As at 31 Aug 2021 (%)
Portfolio composition			
Collective investment scheme	98.45	98.19	96.70
Cash & cash equivalent	1.55	1.81	3.30
Total	100.00	100.00	100.00

Currency class	USD Class	MYRH Class	SGDH Class	AUDH Class	USD Class	MYRH Class	SGDH Class	AUDH Class	USD Class	MYRH Class	SGDH Class	AUDH Class
Total NAV (million)	4.200	149.122	6.468	8.272	5.241	169.155	6.694	9.710	2.097	68.762	1.374	1.618
NAV per Unit (in respective currencies)	0.4223	0.4146	0.4097	0.3960	0.3955	0.3998	0.3910	0.3837	0.5258	0.5267	0.5216	0.5189
Unit in Circulation (million)	9.946	359.650	15.787	20.888	13.250	423.117	17.121	25.310	3.988	130.551	2.635	3.118
Highest NAV	0.4466	0.4403	0.4343	0.4196	0.5310	0.5318	0.5268	0.5235	0.5258	0.5267	0.5216	0.5189
Lowest NAV	0.3400	0.3433	0.3351	0.3277	0.3680	0.3720	0.3640	0.3577	0.4817	0.4809	0.4789	0.4776
Return of the Fund (%)	6.78	3.70	4.78	3.21	-24.78	-24.09	-25.04	-26.06	5.16	5.34	4.32	3.78
- Capital Growth (%)	6.78	3.70	4.78	3.21	-24.78	-24.09	-25.04	-26.06	5.16	5.34	4.32	3.78
- Income Distribution (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Expense Ratio (%) ¹		1.87				1.87				0.87		
Portfolio Turnover Ratio (times) ²		0.21				0.55				0.87		

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

The performance figures are a comparison of the growth/decline in Net Asset Value ("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

¹ The TER of the Fund was unchanged during the financial year under review

² The PTR decreased due to lower trading activities of the Fund for the financial year under review

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial year ended 31 August 2023.

Fund Performance

Performance Review (1 September 2022 to 31 August 2023)

USD Class

For the period 1 September 2022 to 31 August 2023, the Fund registered a 6.78% return compared to the benchmark return of 13.65%. The Fund thus underperformed the Benchmark by 6.87%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2023 was USD0.4223 while the NAV as at 31 August 2022 was USD0.3955.

Since commencement, the Fund has registered a return of -15.54% compared to the benchmark return of 1.81%, underperforming by 17.35%.

Table 1: Performance of the Fund

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	6.78%	(15.54%)
Benchmark	13.65%	1.81%
Outperformance	(6.87%)	(17.35%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	6.78%	(6.90%)
Benchmark	13.65%	0.76%
Outperformance	(6.87%)	(7.66%)

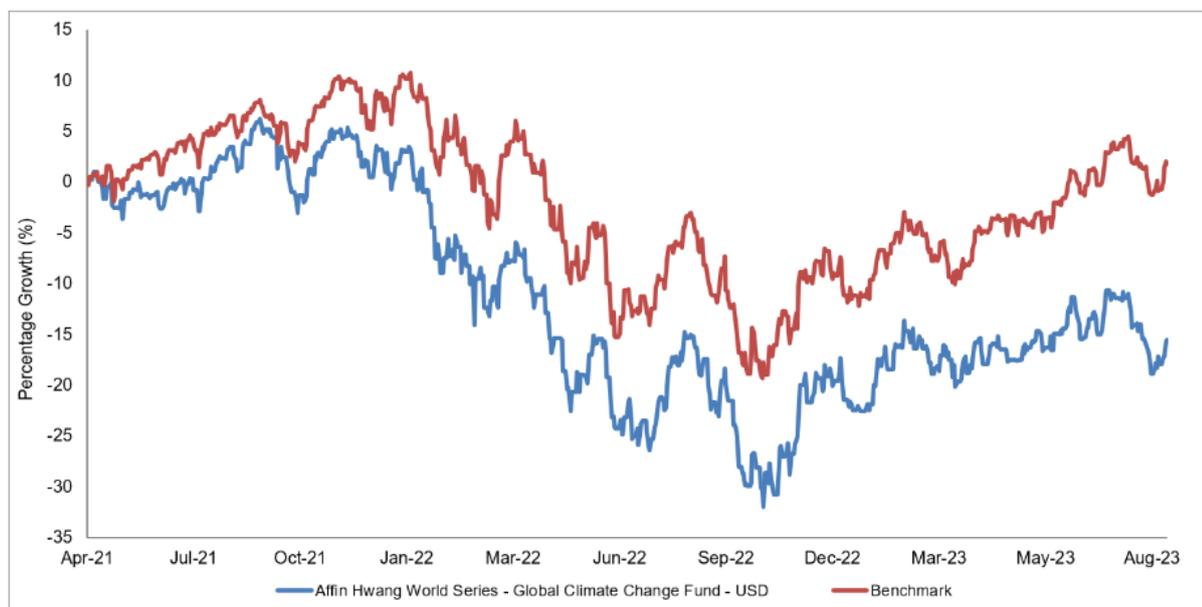
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/9/22 - 31/8/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (22/4/21 - 31/8/21)
Fund	6.78%	(24.78%)	5.16%
Benchmark	13.65%	(16.36%)	7.10%
Outperformance	(6.87%)	(8.42%)	(1.94%)

Source of Benchmark: Bloomberg

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



AUD Hedged-Class

For the period 1 September 2022 to 31 August 2023, the Fund registered a 3.21% return compared to the benchmark return of 20.43%. The Fund thus underperformed the Benchmark by 17.22%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 August 2023 was AUD0.3960 while the NAV as at 31 August 2022 was AUD0.3837.

Since commencement, the Fund has registered a return of -20.80% compared to the benchmark return of 21.95%, underperforming by 42.75%.

Table 1: Performance of the Fund

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	3.21%	(20.80%)
Benchmark	20.43%	21.95%
Outperformance	(17.22%)	(42.75%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	3.21%	(9.40%)
Benchmark	20.43%	8.77%
Outperformance	(17.22%)	(18.17%)

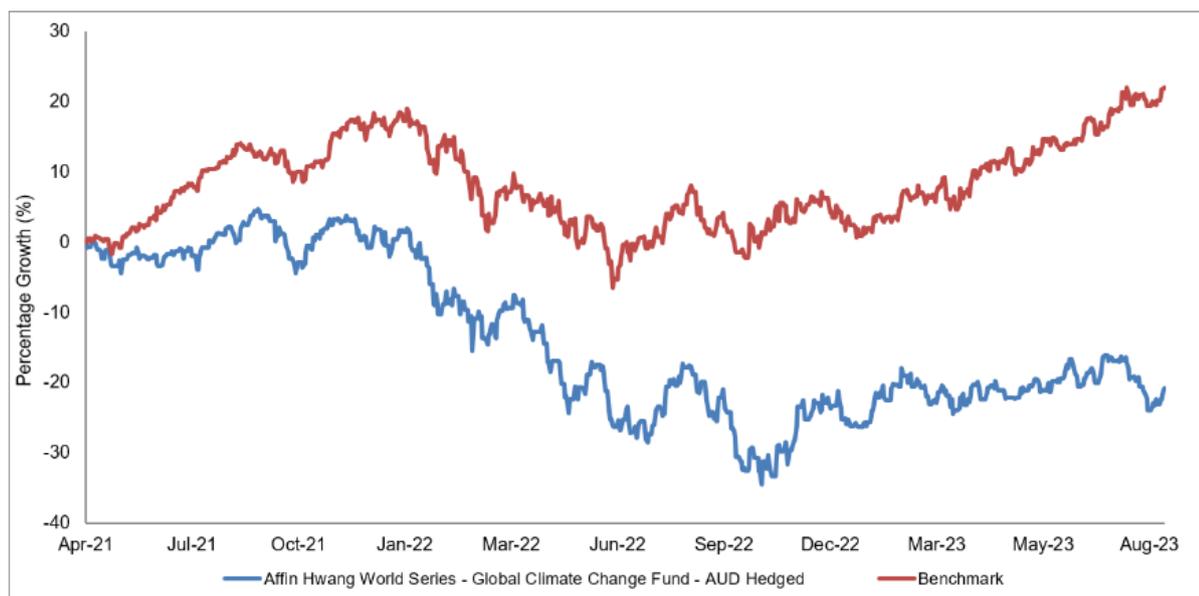
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/9/22 - 31/8/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (22/4/21 - 31/8/21)
Fund	3.21%	(26.06%)	3.78%
Benchmark	20.43%	(10.81%)	13.54%
Outperformance	(17.22%)	(15.25%)	(9.76%)

Source of Benchmark: Bloomberg

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



MYR Hedged-Class

For the period 1 September 2022 to 31 August 2023, the Fund registered a 3.70% return compared to the benchmark return of 16.19%. The Fund thus underperformed the Benchmark by 12.49%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 August 2023 was MYR0.4146 while the NAV as at 31 August 2022 was MYR0.3998.

Since commencement, the Fund has registered a return of -17.08% compared to the benchmark return of 13.10%, underperforming by 30.18%.

Table 1: Performance of the Fund

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	3.70%	(17.08%)
Benchmark	16.19%	13.10%
Outperformance	(12.49%)	(30.18%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	3.70%	(7.62%)
Benchmark	16.19%	5.35%
Outperformance	(12.49%)	(12.97%)

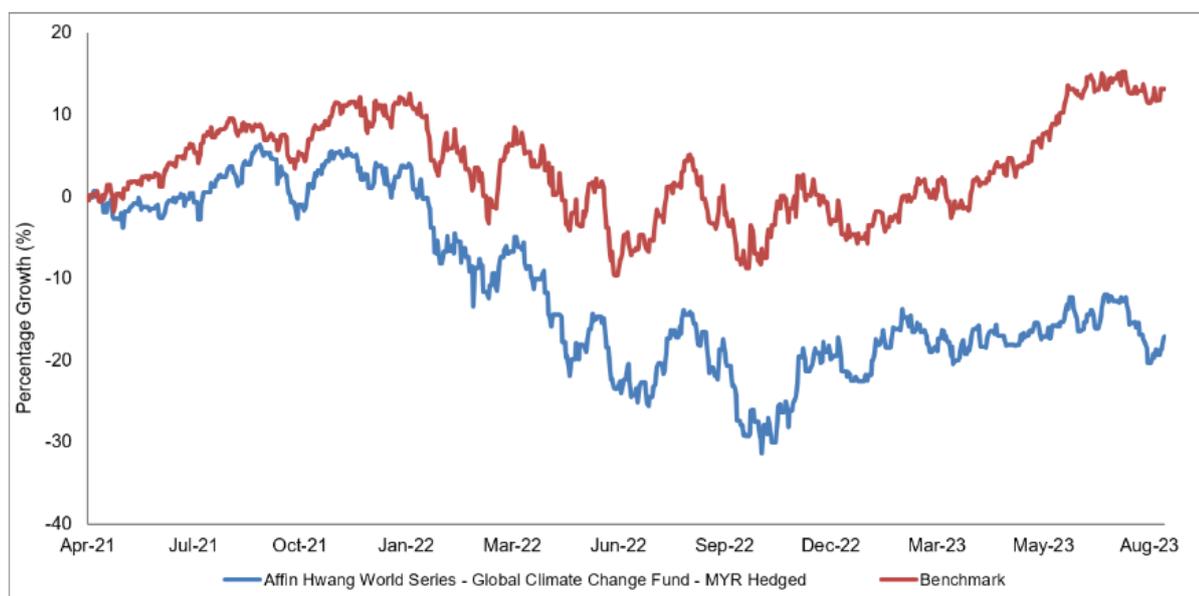
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/9/22 - 31/8/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (22/4/21 - 31/8/21)
Fund	3.70%	(24.09%)	5.34%
Benchmark	16.19%	(9.88%)	8.01%
Outperformance	(12.49%)	(14.21%)	(2.67%)

Source of Benchmark: Bloomberg

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



SGD Hedged-Class

For the period 1 September 2022 to 31 August 2023, the Fund registered a 4.78% return compared to the benchmark return of 10.06%. The Fund thus underperformed the Benchmark by 5.28%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 August 2023 was SGD0.4097 while the NAV as at 31 August 2022 was SGD0.3910.

Since commencement, the Fund has registered a return of -18.06% compared to the benchmark return of 3.60%, underperforming by 21.66%.

Table 1: Performance of the Fund

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	4.78%	(18.06%)
Benchmark	10.06%	3.60%
Outperformance	(5.28%)	(21.66%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/22 - 31/8/23)	Since Commencement (22/4/21 - 31/8/23)
Fund	4.78%	(8.09%)
Benchmark	10.06%	1.51%
Outperformance	(5.28%)	(9.60%)

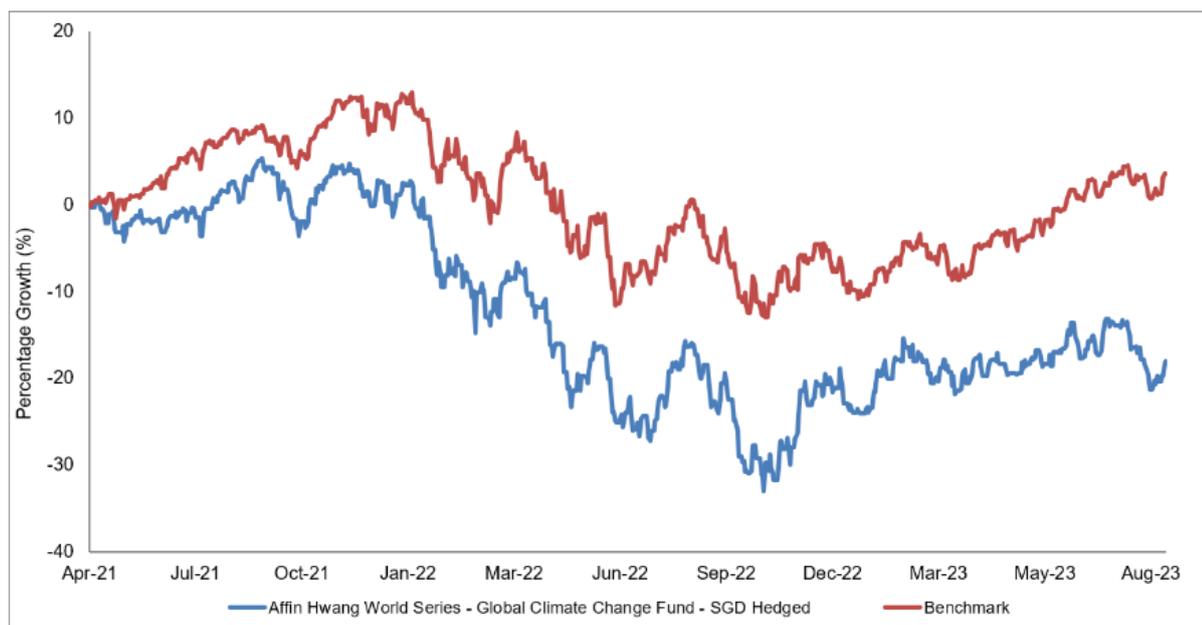
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2023 (1/9/22 - 31/8/23)	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (22/4/21 - 31/8/21)
Fund	4.78%	(25.04%)	4.32%
Benchmark	10.06%	(13.15%)	8.39%
Outperformance	(5.28%)	(11.89%)	(4.07%)

Source of Benchmark: Bloomberg

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



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

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

Asset Allocation

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

As at 31 August 2023, the asset allocation of the Fund stood at 98.45% in collective investment scheme while the balance was held in cash and cash equivalent.

Strategy Employed

The Target Fund Manager invest in equity and equity related securities of companies worldwide which they believe will benefit from efforts to accommodate or limit the impact of global climate change and which meet the sustainability criteria. This centers around 5 key themes; clean energy, sustainable transport, environmental resources, low carbon leader and energy efficiency. The Target Fund Manager takes a bottom-up research approach to stock selection as well as utilise environmental, social and governance ("ESG") research and data science capabilities.

Market Review

Over the year under review, the Standard and Poor's ("S&P") 500 returned 13.81% while the Morgan Stanley Capital International ("MSCI") AC World index returned 14.61%. Specific to the Asian region, MSCI AC Asia ex Japan Index was down slightly at -0.64% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia returned -2.68%. Bond markets were neutral over the year with the Bloomberg Barclays Global Aggregate Index returning 0.78%. Domestically, bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.84%.

Market volatility persisted across the global economy as macro events and policy rate hikes over the past year affected stock and bond markets. The economic fallout from the Covid-19 pandemic coupled with the

Russia-Ukraine conflict has disrupted supply chains and commodity markets, weighing heavily on global economic growth. Central banks continue to rein in inflation contributed by supply-demand imbalances and volatility in energy prices among other factors through monetary policy, which inadvertently played a role in destabilising the banking sector March this year.

The U.S. Federal Reserve (“Fed”) raised their policy rates in monetary policy committee meetings since March last year, to of 5.50% in July 2023, although pausing for the first time in 15 months in June 2023. The sharp pace of policy tightening raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks. In addition to fractures in the banking sector, other notable events over the year included the concern over the U.S. approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth. Despite narrowly avoiding a default, the U.S. did not escape unscathed as Fitch Ratings downgraded its rating on U.S. debt, quoting in a press release “The repeated debt-limit political standoffs and last-minute resolutions have eroded confidence in fiscal management”.

U.S. equities was volatile throughout the year, as the financial sector disruption troubled markets in the first quarter of 2023, while gains in the second quarter of the year was mostly driven by the fervour and enthusiasm over new developments in artificial intelligence (“AI”). Zooming in closer on a monthly basis, although U.S. equities ended July 2023 upbeat, gains were pared back, falling 1.77% over the month of August as stronger than expected economic data spurred bond yields which hit new highs, soaring 15 basis points (“bps”) to close at 4.11%. This bolstered bets that the Fed would hold interest rates higher for longer to keep a lid on inflation.

In Asia, the broader MSCI Asia ex-Japan index slid slightly ending the financial year down by 0.64% as rising bond yields put pressure on emerging markets. Despite starting off 2023 strong, Chinese equity trended downwards following the country’s reopening after the pandemic started to cool before lifting in July, driven by stimulus optimism in China, evident as the MSCI China Index vaulted 9.30% in July as top party leaders unveiled measures at its Politburo meeting to reinvigorate growth in the country. Among the measures include a pledge by Beijing to provide stimulus support for its beleaguered property sector. Top party leaders also emphasised the need for measures to tackle youth unemployment as well as accelerate the issuance of local government special bonds to spur government investment. While there were no explicit announcements of blockbuster stimulus, the overall policy tone from the Politburo meeting did exceed expectations. There was an acknowledgement of pressing issues on-the-ground that could result in targeted easing measures to bolster growth and lift sentiment. However, this quickly cooled as investors remain doubtful whether the stimulus measure would be enough to arrest the decline in growth, with the gains made in July this year quickly neutralised by the end of August.

Back in Malaysia, several policy announcements by the government in June caught the attention of investors. These positive sentiments lifted foreign investors’ confidence as they poured into local equities. These included the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the National Energy Transition Roadmap as well as the New Industrial Masterplan. By the end of August 2023, there was also greater political clarity following the conclusion of state elections. As widely expected, the Pakatan Harapan-Barisan Nasional coalition retained Selangor, Penang and Negeri Sembilan, while Perikatan Nasional held on to their strongholds in Kedah, Kelantan and Terengganu.

U.S. Treasury (“UST”) was seen rebounding post the Federal Open Market Committee (“FOMC”) meeting, but the advance U.S. second quarter GDP print surprised on the upside while news on discussion on a potential tweak to Bank of Japan’s yield curve control unnerved the markets. The 2-year, 5-year and 10-year yields ended the month at 4.88%, 4.25% and 4.11% respectively. The 30-year UST closed at 4.21%. As a result, the inversion between the 2-year and 10-year U.S. Treasury narrowed to -75bps.

Investment Outlook

The U.S. economic data continue to send mixed signals, leading to an increased market conviction that the U.S. may avoid a recession in 2023 and move towards a soft landing. Economic data has been stronger than expected and earnings have been resilient. The larger cap stocks in particular have outperformed driven by various factors.

While the Target Fund Manager remains conscious about multiple market risks in the near-term, supply chain pressures are continuing to ease. Shortages in semiconductors and other components are now improving, and inflationary pressures for manufacturers are easing. As lower costs for shipping and commodities feed through the manufacturing process we will see some very significant profitability improvements.

The Target Fund Manager recognises the elevated risk that is posed by the response of central banks to persistent inflation by raising base rates. They are approaching this by focusing on companies with strong balance sheets.

Overall, the outlook for relative and absolute investment returns across the climate change theme is now far better than it was one or two years ago when valuations were elevated, and the long-term growth opportunity in building the net zero economy of course remains immense. Additionally, the increase in public policy objectives geared towards transitioning towards a low-carbon economy will assist in this structural growth opportunity.

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 unitholders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made To the Fund's Information Memorandum

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

**TRUSTEE’S REPORT
TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE
CHANGE FUND (“Fund”)**

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

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Senior Manager, Trustee Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
26 October 2023

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

CONTENTS	PAGE(S)
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2 - 3
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	4
STATEMENT OF CASH FLOWS	5
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6 - 12
NOTES TO THE FINANCIAL STATEMENTS	13 - 35
STATEMENT BY THE MANAGER	36
INDEPENDENT AUDITORS' REPORT	37 - 40

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
INVESTMENT INCOME/(LOSS)			
Interest income from financial assets at amortised cost		164	-
Net gain/(loss) on foreign currency exchange		15,034	(61,025)
Net loss on forward foreign currency contracts at fair value through profit or loss		(2,542,888)	(3,198,417)
Net gain/(loss) on financial assets at fair value through profit or loss	8	3,971,189	(16,544,305)
		<u>1,443,499</u>	<u>(19,803,747)</u>
EXPENSES			
Management fee	4	(906,845)	(1,007,904)
Trustee fee	5	(20,163)	(22,407)
Fund accounting fee	6	(6,694)	(6,566)
Auditors' remuneration		(1,671)	(2,047)
Tax agent's fee		(780)	(843)
Other expenses		(6,693)	(6,584)
		<u>(942,846)</u>	<u>(1,046,351)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		500,653	(20,850,098)
Taxation	7	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>500,653</u>	<u>(20,850,098)</u>
Increase/(decrease) in net asset attributable to unitholders is made up of the following:			
Realised amount		(6,140,091)	(3,963,731)
Unrealised amount		6,640,744	(16,886,367)
		<u>500,653</u>	<u>(20,850,098)</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 CLIMATE CHANGE FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
ASSETS			
Cash and cash equivalents	9	1,591,300	1,313,738
Amount due from broker		-	483,998
Amount due from Manager			
- creation of units		11,313	-
- management fee rebate receivable		58,567	72,157
Financial assets at fair value through profit or loss	8	45,770,654	53,603,571
Forward foreign currency contracts at fair value through profit or loss	10	2,681	82,152
TOTAL ASSETS		<u>47,434,515</u>	<u>55,555,616</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	764,120	536,057
Amount due to dealers		-	326,509
Amount due to Manager			
- management fee		71,087	87,856
- cancellation of units		102,396	7,830
Amount due to Trustee		1,580	1,952
Fund accounting fee		501	-
Auditors' remuneration		1,671	2,047
Tax agent's fee		780	843
Other payables and accruals		349	476
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>942,484</u>	<u>963,570</u>
NET ASSET VALUE OF THE FUND		<u>46,492,031</u>	<u>54,592,046</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>46,492,031</u>	<u>54,592,046</u>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		5,347,567	6,745,898
- MYR Hedged-class		32,162,544	37,804,308
- SGD Hedged-class		4,781,517	4,801,323
- USD Class		4,200,403	5,240,517
		<u>46,492,031</u>	<u>54,592,046</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	11 (a)	20,888,000	25,310,000
- MYR Hedged-class	11 (b)	359,650,000	423,117,000
- SGD Hedged-class	11 (c)	15,787,000	17,121,000
- USD Class	11 (d)	9,946,000	13,250,000
		<u>406,271,000</u>	<u>478,798,000</u>
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.2560	0.2665
- MYR Hedged-class		0.0894	0.0893
- SGD Hedged-class		0.3029	0.2804
- USD Class		0.4223	0.3955
		<u>0.4223</u>	<u>0.3955</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.3960	AUD0.3837
- MYR Hedged-class		RM0.4146	RM0.3998
- SGD Hedged-class		SGD0.4097	SGD0.3910
- USD Class		USD0.4223	USD0.3955
		<u>USD0.4223</u>	<u>USD0.3955</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 CLIMATE CHANGE FUND

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

	<u>2023</u> USD	<u>2022</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	54,592,046	20,855,768
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	1,703,543	60,686,496
- AUD Hedged-class	522,031	8,524,029
- MYR Hedged-class	775,799	40,312,545
- SGD Hedged-class	132,777	5,569,366
- USD Class	272,936	6,280,556
Cancellation of units	(10,304,211)	(6,100,120)
- AUD Hedged-class	(1,644,568)	(350,806)
- MYR Hedged-class	(6,472,844)	(4,078,730)
- SGD Hedged-class	(546,460)	(167,610)
- USD Class	(1,640,339)	(1,502,974)
Net increase/(decrease) in net assets attributable to unitholders during the financial year	500,653	(20,850,098)
- AUD Hedged-class	(275,793)	(2,606,885)
- MYR Hedged-class	55,281	(14,986,810)
- SGD Hedged-class	393,877	(1,622,517)
- USD Class	327,288	(1,633,886)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>46,492,031</u></u>	<u><u>54,592,046</u></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 CLIMATE CHANGE FUND

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

	Note	<u>2023</u> USD	<u>2022</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		14,853,809	4,472,314
Purchase of investments		(3,310,000)	(55,778,919)
Interest received		164	-
Management fee rebate received		757,885	765,685
Management fee paid		(923,614)	(949,666)
Trustee fee paid		(20,535)	(21,113)
Fund accounting fee paid		(6,193)	(6,566)
Payments for other fees and expenses		(9,710)	(9,438)
Realised loss on forward foreign currency contracts		(2,561,863)	(2,582,435)
Net realised gain/(loss) on foreign currency exchange		15,219	(57,701)
Net cash flows generated from/(used in) operating activities		<u>8,795,162</u>	<u>(54,167,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		1,692,230	61,174,587
Payments for cancellation of units		(10,209,645)	(6,092,290)
Net cash flows (used in)/generated from financing activities		<u>(8,517,415)</u>	<u>55,082,297</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		277,747	914,458
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(185)	(3,324)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		<u>1,313,738</u>	<u>402,604</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u><u>1,591,300</u></u>	<u><u>1,313,738</u></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 CLIMATE CHANGE FUND

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

- Amendments to MFRS 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 – 2021 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘Onerous contracts - cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

B INCOME RECOGNITION

Interest income

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

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

Realised gains and losses on sale of investments

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

C TAXATION

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

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

D FUNCTIONAL AND PRESENTATION CURRENCY

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

E FOREIGN CURRENCY TRANSLATION

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

The contractual cash flows of the Fund’s debt securities are solely payments of principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

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

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

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

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

(iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

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 CLIMATE CHANGE FUND

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

F 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; and
- the debtor is insolvent.

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

Write-off

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

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

G CASH AND CASH EQUIVALENTS

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

H AMOUNT DUE FROM/(TO) BROKERS AND DEALERS

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

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

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

I CREATION AND CANCELLATION OF UNITS

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

The Fund issues cancellable units, in four classes of units, known respectively as the AUD Hedged-class, MYR Hedged-class, SGD Hedged-class and USD Class, which are cancelled at the 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 net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

J DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative 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 positive fair value and negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively.

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

J DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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 measured at fair value through profit or loss.

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

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its 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.

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

The analysis of realised and unrealised amounts in 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 CLIMATE CHANGE FUND

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

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series - Global Climate Change Fund (the "Fund") pursuant to the execution of a Deed dated 15 March 2021 (the "Deed") entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund commenced operations on 25 March 2021 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

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

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

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

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange traded funds and private retirement schemes as well as providing fund management services to private clients. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 26 October 2023.

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> USD	At fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	1,591,300	-	1,591,300
Amount due from Manager				
- management fee rebate receivable		58,567	-	58,567
- creation of units		11,313	-	11,313
Collective investment scheme	8	-	45,770,654	45,770,654
Forward foreign currency contracts	10	-	2,681	2,681
Total		<u>1,661,180</u>	<u>45,773,335</u>	<u>47,434,515</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	764,120	764,120
Amount due to Manager				
- management fee		71,087	-	71,087
- cancellation of units		102,396	-	102,396
Amount due to Trustee		1,580	-	1,580
Fund accounting fee		501	-	501
Auditors' remuneration		1,671	-	1,671
Tax agent's fee		780	-	780
Other payables and accruals		349	-	349
Total		<u>178,364</u>	<u>764,120</u>	<u>942,484</u>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (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>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	1,313,738	-	1,313,738
Amount due to broker		483,998	-	483,998
Amount due from Manager				
- management fee rebate receivable		72,157	-	72,157
Collective investment scheme	8	-	53,603,571	53,603,571
Forward foreign currency contracts	10	-	82,152	82,152
Total		<u>1,869,893</u>	<u>53,685,723</u>	<u>55,555,616</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	536,057	536,057
Amount due to dealers		326,509	-	326,509
Amount due to Manager				
- management fee		87,856	-	87,856
- cancellation of units		7,830	-	7,830
Amount due to Trustee		1,952	-	1,952
Auditors' remuneration		2,047	-	2,047
Tax agent's fee		843	-	843
Other payables and accruals		476	-	476
Total		<u>427,513</u>	<u>536,057</u>	<u>963,570</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), liquidity risk, credit risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

Market risk

(a) Price risk

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

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

	<u>2023</u> USD	<u>2022</u> USD
Quoted investment		
Collective investment scheme	45,770,654	53,603,571

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

<u>% Change in price</u>	<u>Market value</u> USD	Impact on (loss) /profit after <u>tax/NAV</u> USD
<u>2023</u>		
-15%	38,905,056	(6,865,598)
0%	45,770,654	-
+15%	52,636,252	6,865,598
<u>2022</u>		
-4%	51,459,428	(2,144,143)
0%	53,603,571	-
+4%	55,747,714	2,144,143

(b) Interest rate risk

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

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

As at 31 August 2022, the Fund was not exposed to any interest rate risk.

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

Market risk (continued)

(c) Currency risk

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

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

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>				
<u>Financial assets</u>				
Australian Dollar	-	20,024	-	20,024
Malaysian Ringgit	2,681	60,586	11,313	74,580
Singapore Dollar	-	27,516	-	27,516
	<u>2,681</u>	<u>108,126</u>	<u>11,313</u>	<u>122,120</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Australian Dollar	208,940	102,396	5,347,567	5,658,903
Malaysian Ringgit	502,856	3,301	32,162,544	32,668,701
Singapore Dollar	52,324	-	4,781,517	4,833,841
	<u>764,120</u>	<u>105,697</u>	<u>42,291,628</u>	<u>43,161,445</u>

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Total</u> USD
<u>2022</u>			
<u>Financial assets</u>			
Australian Dollar	58,138	5,987	64,125
Malaysian Ringgit	21,736	2,288	24,024
Singapore Dollar	2,278	3,914	6,192
	<u>82,152</u>	<u>12,189</u>	<u>94,341</u>
	<u>Forward foreign currency contracts</u> USD	<u>Other liabilities*</u> USD	<u>Net assets attributable to unitholders</u> USD
<u>Financial liabilities</u>			
Australian Dollar	27,210	-	6,745,898
Malaysian Ringgit	484,446	11,196	37,804,308
Singapore Dollar	24,401	-	4,801,323
	<u>536,057</u>	<u>11,196</u>	<u>49,351,529</u>
	<u>536,057</u>	<u>11,196</u>	<u>49,898,782</u>

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in rate %	Impact on profit/(loss) after tax/NAV USD
<u>2023</u>		
Australian Dollar	+/-13.65	-/+ 769,707
Malaysian Ringgit	+/-6.49	-/+ 2,115,358
Singapore Dollar	+/-5.86	-/+ 281,651
		<u> </u>
<u>2022</u>		
Australian Dollar	+/- 10.91	-/+ 731,950
Malaysian Ringgit	+/- 3.24	-/+ 1,240,140
Singapore Dollar	+/- 4.20	-/+ 202,420
		<u> </u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders. Liquid assets comprise of cash and bank balances, which are capable of being converted into cash within 7 days.

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

Liquidity risk (continued)

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

	Within <u>one month</u> USD	Between one month <u>to one year</u> USD	<u>Total</u> USD
<u>2023</u>			
Forward foreign currency contracts at fair value through profit or loss	83,452	680,668	764,120
Amount due to Manager			
- management fee	71,087	-	71,087
- cancellation of units	102,396	-	102,396
Amount due to Trustee	1,580	-	1,580
Fund accounting fee	501	-	501
Auditors' remuneration	-	1,671	1,671
Tax agent's fee	-	780	780
Other payables and accruals	-	349	349
Net assets attributable to unitholders*	46,492,031	-	46,492,031
	<u>46,751,047</u>	<u>683,468</u>	<u>47,434,515</u>
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	127,570	408,487	536,057
Amount due to dealers	326,509	-	326,509
Amount due to Manager			
- management fee	87,856	-	87,856
- cancellation of units	7,830	-	7,830
Amount due to Trustee	1,952	-	1,952
Auditors' remuneration	-	2,047	2,047
Tax agent's fee	-	843	843
Other payables and accruals	-	476	476
Net assets attributable to unitholders*	54,592,046	-	54,592,046
	<u>55,143,763</u>	<u>411,853</u>	<u>55,555,616</u>

* Units are cancelled on demand at the unitholder's 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 return.

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

Credit risk

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

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

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

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

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

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>2023</u>				
Financial services				
- AA1	-	1,537,349	-	1,537,349
- AAA	2,681	53,951	-	56,632
Others				
- Non-rated (NR)	-	-	69,880	69,880
	<u>2,681</u>	<u>1,591,300</u>	<u>69,880</u>	<u>1,663,861</u>

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

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

Credit risk (continued)

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

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Other assets* USD	Total USD
<u>2022</u>				
Financial services				
- AA1	3,060	1,313,738	-	1,316,798
- AAA	26,213	-	-	26,213
- AA3	11,177	-	-	11,177
- Non-rated (NR)	41,702	-	-	41,702
Others				
- Non-rated (NR)	-	-	556,155	556,155
	<u>82,152</u>	<u>1,313,738</u>	<u>556,155</u>	<u>1,952,045</u>

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

Capital risk

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

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the 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 and financial liabilities that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

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

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

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	45,770,654	-	-	45,770,654
- forward foreign currency contracts	-	2,681	-	2,681
	<u>45,770,654</u>	<u>2,681</u>	<u>-</u>	<u>45,773,335</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	764,120	-	764,120
	<u>-</u>	<u>764,120</u>	<u>-</u>	<u>764,120</u>
<u>2022</u>				
Financial assets at fair value through profit or loss:				
- collective investment scheme	53,603,571	-	-	53,603,571
- forward foreign currency contracts	-	82,152	-	82,152
	<u>53,603,571</u>	<u>82,152</u>	<u>-</u>	<u>53,685,723</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	536,057	-	536,057
	<u>-</u>	<u>536,057</u>	<u>-</u>	<u>536,057</u>

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These 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 broker, 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 Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

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

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 August 2023, the Trustee's fee is recognised at a rate of 0.04% (2022: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is USD6,694 equivalent of RM30,333 (2022: USD6,566 equivalent of RM28,000) for the financial year.

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

7 TAXATION

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

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

	<u>2023</u> USD	<u>2022</u> USD
Net profit/(loss) before taxation	500,653	(20,850,098)
Tax at Malaysian statutory rate of 24%	120,157	(5,004,024)
Tax effects of:		
(Investment income not subject to tax) / investment loss not brought to tax	(167,809)	4,752,900
Expenses not deductible for tax purposes	8,239	8,678
Restriction on tax deductible expenses for Wholesale Funds	39,413	242,446
Tax expense	-	-

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss:		
- collective investment scheme	45,770,654	53,603,571
Net gain/(loss) on financial assets at fair value through profit or loss:		
- net realised losses on sale of investments	(3,721,569)	(1,091,263)
- unrealised gain/(loss) on changes in fair value	6,948,463	(16,267,061)
- management fee rebate on collective investment scheme #	744,295	814,019
	3,971,189	(16,544,305)

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

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

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

(a) Collective investment scheme

(i) Collective investment scheme as at 31 August 2023 is as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Schroder International Selection Fund Global Climate Change Equity – A Accumulation USD Class	2,042,950	53,981,045	45,770,654	98.45
Total collective investment scheme	<u>2,042,950</u>	<u>53,981,045</u>	<u>45,770,654</u>	<u>98.45</u>
Accumulated unrealised loss on collective investment scheme		<u>(8,210,391)</u>		
Total collective investment scheme		<u>45,770,654</u>		

(ii) Collective investment scheme as at 31 August 2022 is as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Schroder International Selection Fund Global Climate Change Equity – A Accumulation USD Class	2,572,062	68,762,425	53,603,571	98.19
Total collective investment scheme	<u>2,572,062</u>	<u>68,762,425</u>	<u>53,603,571</u>	<u>98.19</u>
Accumulated unrealised loss on collective investment scheme		<u>(15,158,854)</u>		
Total collective investment scheme		<u>53,603,571</u>		

AFFIN HWANG WORLD SERIES – GLOBAL CLIMATE CHANGE FUND

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

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

(b) Target Fund's top 10 holdings

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

	Percentage of <u>Target Fund's NAV</u> %
Microsoft Corp	5.20
Alphabet Inc	4.80
Schneider Electric SE	3.30
Iberdrola SA	2.80
Amazon.com Inc	2.70
Danaher Corp	2.30
Swiss Re AG	2.30
Johnson Controls International plc	2.30
Hitachi Ltd	2.20
Prysmian S.p.A.	2.10
	<hr/>
	30.00
	<hr/> <hr/>

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

	Percentage of <u>Target Fund's NAV</u> %
Microsoft Corp	5.20
Alphabet Inc	3.90
Texas Instruments Inc	3.60
Amazon.com Inc	3.50
NextEra Energy Inc	2.70
Bayerische Motoren Werke AG	2.60
Schneider Electric SE	2.50
Canadian National Railway Co	2.50
Iberdrola SA	2.50
Danaher Corp	2.40
	<hr/>
	31.40
	<hr/> <hr/>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

9 CASH AND CASH EQUIVALENTS

	<u>2023</u> USD	<u>2022</u> USD
Cash and bank balance	1,537,349	1,313,738
Deposit with a licensed financial institution	53,951	-
	<u>1,591,300</u>	<u>1,313,738</u>

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

	<u>2023</u> %	<u>2022</u> %
Deposit with a licensed financial institution	<u>3.00</u>	<u>-</u>

Deposit with a licensed financial institution has an average maturity of 1 day (2022: Nil day).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 28 (2022: 39) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD42,349,030 (2022: USD52,150,249). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Hedged-classes denominated in Australian Dollar, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward currency contracts are recognised immediately in statement of comprehensive income.

	<u>2023</u> USD	<u>2022</u> USD
Financial assets at fair value through profit or loss:		
- forward foreign currency contract	<u>2,681</u>	<u>82,152</u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>764,120</u>	<u>536,057</u>
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised loss on forward foreign currency contracts	(2,235,354)	(2,582,435)
- unrealised loss on forward foreign currency contracts	(307,534)	(615,982)
	<u>(2,542,888)</u>	<u>(3,198,417)</u>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

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

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	6,996,079	7,155,629	(159,550)	(0.34)
BNP Paribas Malaysia Bhd	3,969,280	4,003,677	(34,397)	(0.07)
CIMB Bank Bhd	1,726,830	1,810,282	(83,452)	(0.18)
Hong Leong Bank Bhd	11,050,279	11,238,105	(187,826)	(0.40)
J.P Morgan Chase Bank Bhd	13,266,354	13,462,198	(195,844)	(0.42)
United Overseas Bank (M) Bhd	4,578,769	4,679,139	(100,370)	(0.22)
	<u>41,587,591</u>	<u>42,349,030</u>	<u>(761,439)</u>	<u>(1.63)</u>

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

	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd#	19,901,629	20,228,077	(326,448)	(0.60)
BNP Paribas Malaysia Bhd	7,922,776	8,005,369	(82,593)	(0.15)
CIMB Bank Bhd	2,202,314	2,227,416	(25,102)	(0.05)
Hong Leong Bank Bhd	7,190,591	7,200,726	(10,135)	(0.02)
J.P Morgan Chase Bank Bhd	14,479,034	14,488,661	(9,627)	(0.02)
	<u>51,696,344</u>	<u>52,150,249</u>	<u>(453,905)</u>	<u>(0.84)</u>

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

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of the financial year	25,310,000	3,118,000
Creation of units arising from applications	1,952,000	23,322,000
Cancellation of units	(6,374,000)	(1,130,000)
At the end of the financial year	<u>20,888,000</u>	<u>25,310,000</u>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b)	MYR Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	423,117,000	130,551,000
	Creation of units arising from applications	8,484,000	331,591,000
	Cancellation of units	(71,951,000)	(39,025,000)
	At the end of the financial year	<u>359,650,000</u>	<u>423,117,000</u>
(c)	SGD Hedged-class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	17,121,000	2,635,000
	Creation of units arising from applications	500,000	15,076,000
	Cancellation of units	(1,834,000)	(590,000)
	At the end of the financial year	<u>15,787,000</u>	<u>17,121,000</u>
(d)	USD Class units in circulation	<u>2023</u>	<u>2022</u>
		No. of units	No. of units
	At the beginning of the financial year	13,250,000	3,988,000
	Creation of units arising from applications	665,000	12,579,000
	Cancellation of units	(3,969,000)	(3,317,000)
	At the end of the financial year	<u>9,946,000</u>	<u>13,250,000</u>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

12 TRANSACTIONS WITH BROKER

- (i) Details of transactions with the top broker for the financial year ended 31 August 2023 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
Schroder Investment Management Limited	<u>17,679,811</u>	<u>100.00</u>

- (ii) Details of transactions with the top broker for the financial year ended 31 August 2022 are as follows:

<u>Name of broker</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
Schroder Investment Management Limited	<u>60,706,312</u>	<u>100.00</u>

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

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

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

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

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

	<u>2023</u>		<u>2022</u>	
<u>The Manager:</u>	No. of units	USD	No. of units	USD
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (The units are held legally for booking purposes)				
- AUD Hedged-class	10,415	2,666	10,028	2,672
- MYR Hedged-class	10,084	902	10,995	982
- SGD Hedged-class	10,459	3,168	10,211	2,863
- USD Class	10,913	4,609	10,951	4,331

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

14 TOTAL EXPENSE RATIO ("TER")

	<u>2023</u>	<u>2022</u>
	%	%
TER	1.87	1.87

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is USD50,464,506 (2022: USD56,017,106).

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

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

15 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2023</u>	<u>2022</u>
PTR (times)	0.21	0.55

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 = USD3,310,000 (2022: USD55,750,000)
total disposal for the financial year = USD18,091,380 (2022: USD6,047,575)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in substantial shareholders of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

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

AFFIN HWANG WORLD SERIES - GLOBAL CLIMATE CHANGE FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 35 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 August 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2023 in accordance with the Malaysia Financial Reporting Standards, International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
26 October 2023

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series - Global Climate Change Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 2023, and of its financial performance and its cash flows for the financial year ended 31 August 2023 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 2023, and the statement of comprehensive income, statement of changes in net asset attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 35.

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
CLIMATE CHANGE FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants**

**Kuala Lumpur
26 October 2023**

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