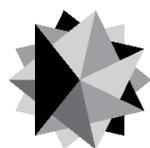


Affin Hwang World Series - Global Disruptive Innovation Fund

Quarterly Report
31 July 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

**AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION
FUND**

**Quarterly Report and Financial Statements
As at 31 July 2021**

Contents	Page
QUARTERLY REPORT	2
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN ASSET	11

QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Disruptive Innovation 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

USD Class

Category	As at 31 Jul 2021	As at 30 Apr 2021
Total NAV (USD'million)	35.249	37.346
NAV per Unit (USD)	0.5852	0.5958
Unit in Circulation (million)	60.231	62.683

MYR Hedged-class

Category	As at 31 Jul 2021	As at 30 Apr 2021
Total NAV (RM'million)	1,396.628	1,391.729
NAV per Unit (RM)	0.5843	0.5941
Unit in Circulation (million)	2,390.286	2,342.398

SGD Hedged-class

Category	As at 31 Jul 2021	As at 30 Apr 2021
Total NAV (SGD'million)	16.834	14.761
NAV per Unit (SGD)	0.5822	0.5934
Unit in Circulation (million)	28.914	24.876

AUD Hedged-class

Category	As at 31 Jul 2021	As at 30 Apr 2021
Total NAV (AUD'million)	11.052	10.323
NAV per Unit (AUD)	0.5798	0.5907
Unit in Circulation (million)	19.062	17.476

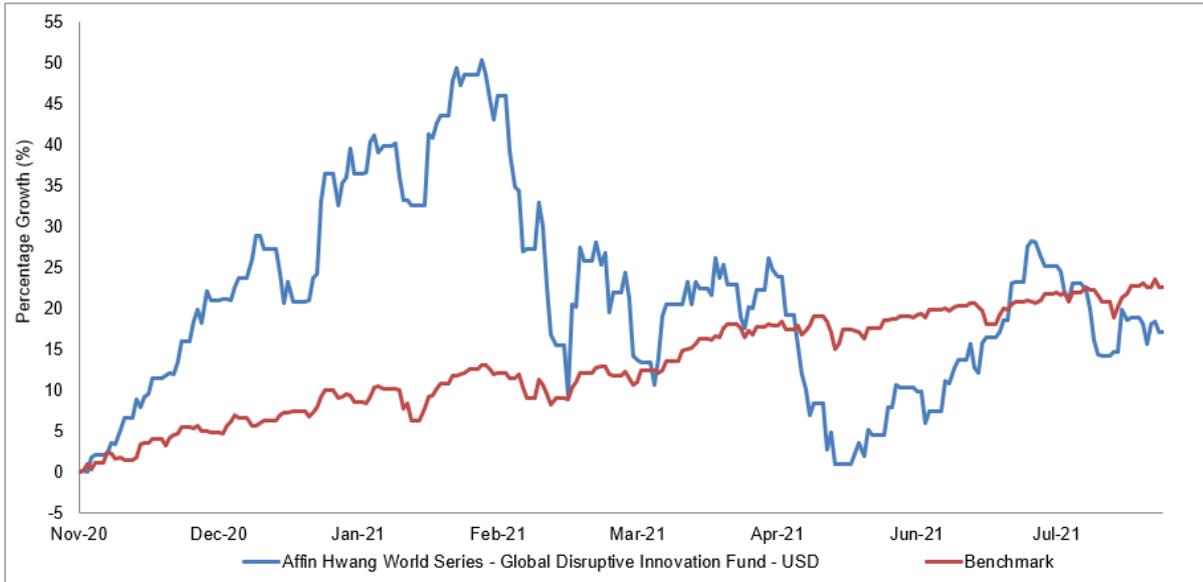
USD Class

Table 1: Performance as at 31 July 2021

	3 Months (1/5/21 - 31/7/21)	6 Months (1/2/21 - 31/7/21)	Since Commencement (10/11/20 - 31/7/21)
Fund	(1.78%)	(11.72%)	17.04%
Benchmark	4.44%	15.31%	22.67%
Outperformance	(6.22%)	(27.03%)	(5.63%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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

Benchmark: MSCI World Index

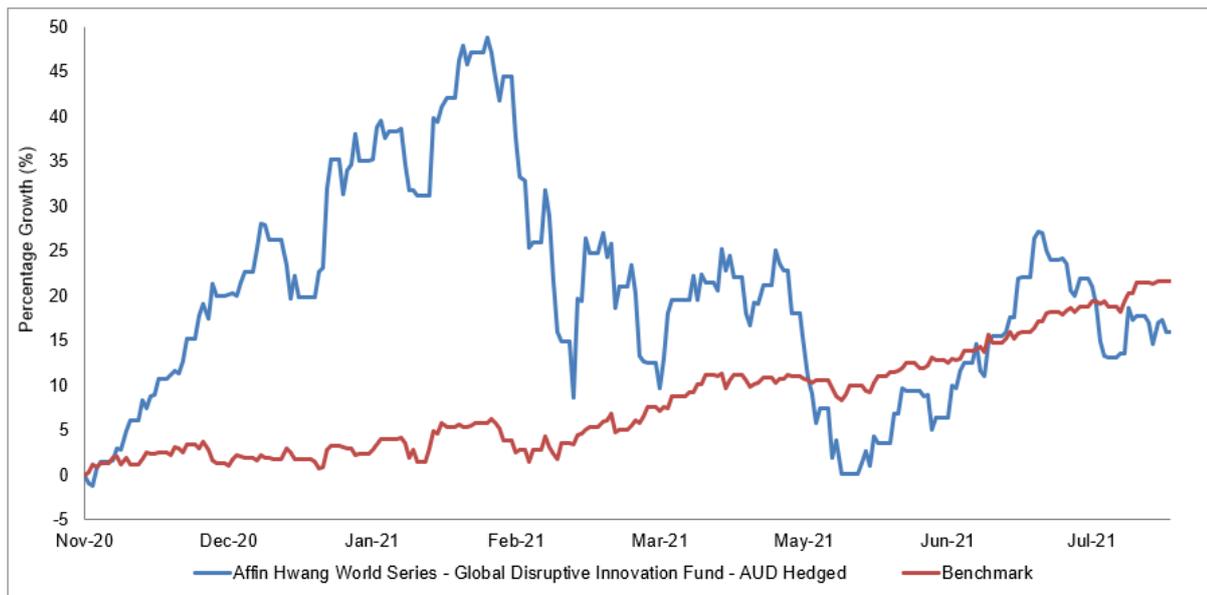
AUD Hedged Class

Table 1: Performance as at 31 July 2021

	3 Months (1/5/21 - 31/7/21)	6 Months (1/2/21 - 31/7/21)	Since Commencement (10/11/20 - 31/7/21)
Fund	(1.85%)	(11.59%)	15.96%
Benchmark	9.66%	20.01%	21.72%
Outperformance	(11.51%)	(31.60%)	(5.76%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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

Benchmark: MSCI World Index

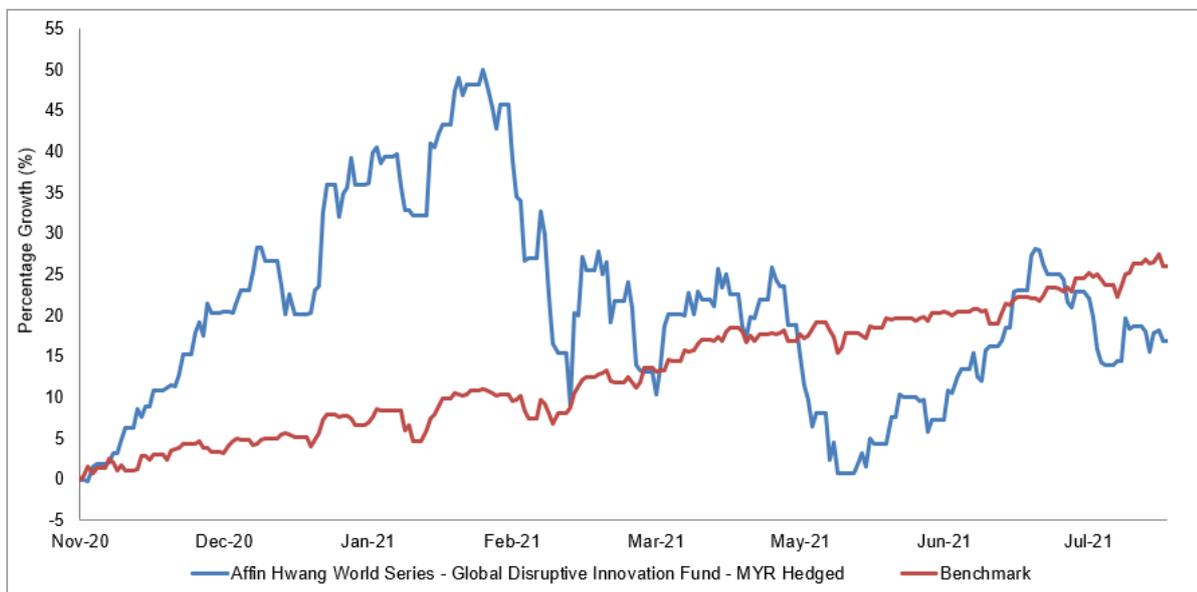
MYR Hedged Class

Table 1: Performance as at 31 July 2021

	3 Months (1/5/21 - 31/7/21)	6 Months (1/2/21 - 31/7/21)	Since Commencement (10/11/20 - 31/7/21)
Fund	(1.65%)	(11.58%)	16.86%
Benchmark	7.79%	20.45%	26.00%
Outperformance	(9.44%)	(32.03%)	(9.14%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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

Benchmark: MSCI World Index

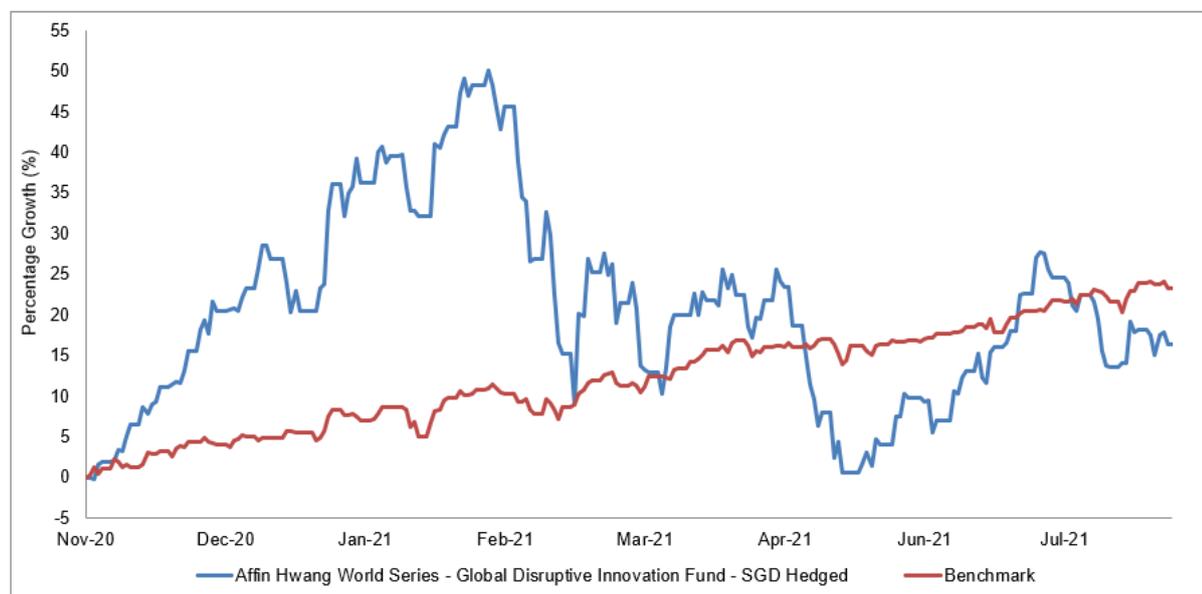
SGD Hedged Class

Table 1: Performance as at 31 July 2021

	3 Months (1/5/21 - 31/7/21)	6 Months (1/2/21 - 31/7/21)	Since Commencement (10/11/20 - 31/7/21)
Fund	(1.89%)	(11.92%)	16.44%
Benchmark	6.32%	17.48%	23.32%
Outperformance	(8.21%)	(29.40%)	(6.88%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



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

Benchmark: MSCI 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

Fund's asset mix during the period under review:

	31 July 2021
	(%)
Unit Trust	97.68
Derivative	-2.47
Cash & money market	4.79
Total	100.00

Strategies Employed

ARK's investment team has been monitoring closely both political activity in China and the continued political tension between the United States and China. The Chinese government's heavy hand against any entity challenging its power, especially those with sensitive personal and other data, is impacting our outlook on

pure play Chinese technology companies and the revenue base of non-Chinese companies with business in China. While we believe that China still is placing a high priority on innovation, in the short-term its government is more focused on equalizing the distribution of wealth and opportunities as it moves to address negative demographic forces with policy measures like its new "three child policy".

The largest contributors to performance included LendingClub, Tesla, Veracyte, DocuSign and Shopify. LendingClub traded up following the company's second-quarter earnings report, which exceeded consensus expectations. The company posted sequential revenue growth of 93%, driven by higher origination fees and net interest income. Tesla beat both top-and bottom-line expectations for second-quarter earnings, while improving its automotive gross margin excluding regulatory credits year over year. Gigafactory Shanghai is now the primary export hub of high-quality vehicles. Additionally, Tesla announced an AI Day this August, which we expect could highlight self-driving advancements. Veracyte traded up after the company's second quarter earnings report that featured top- and bottom-line beats. ARK considers Veracyte an industry leader in evidence-driven molecular diagnostics and prognosis. Shopify appreciated as the company rolled out new initiatives, such as a non-fungible token (NFT) programme, and posted healthy quarterly earnings. Subscription solutions continue to experience rapid growth as more merchants join Shopify's platform.

The largest detractors from performance were CRISPR Therapeutics, Seres Therapeutics, Spotify, Invitae and TuSimple. CRISPR Therapeutics was impacted by the broader market pullback in gene editing stocks, which caused shares to detract from performance during the month. ARK remains excited by CRISPR's pipeline and is looking forward to its rich catalyst year, including three read-outs in the company's oncology programs. Shares of Seres Therapeutics, a microbiome therapeutics company, gapped down after announcing that its phase 2b study evaluating a donor-derived microbiome therapeutic in patients with mild-to-moderate ulcerative colitis (UC) did not meet its primary endpoint. Going forward, the company will focus on using a consortium of multiple bacterial strains for UC, as opposed to donor-derived therapies. TuSimple gave back its strong performance from the prior month. ARK believes the company is well-positioned in the autonomous trucking industry. By our estimates, autonomous electric trucks could reduce the cost of manually-driven diesel trucks from 12 cents per ton mile to 3 cents, undercutting the cost of rail. Broader market forces caused Invitae to trade down on relatively little news during the month. ARK maintains high conviction in Invitae, especially in its collaboration with Pacific Biosciences of California (PACB) to develop a production-scale HiFi sequencing platform.

Investment Outlook

Among the largest beneficiaries of the rotation toward cyclicals during the past seven months have been the two sectors that we believe will be disrupted the most by innovation during the next five years: Energy and Financial Services. In our view, autonomous electric vehicles and digital wallets, including cryptocurrencies and decentralised financial services (DeFi) associated more broadly with blockchain technologies, will disrupt and disintermediate both Energy and Financial Services significantly during the next five years.

In our view, the fear of long-term rising inflation is overblown. Understandably, given the massive monetary and fiscal stimulus in the global economy, most economists and strategists are weighing the odds of inflation. Still, we remain focused on the risks of deflation. In our view, the collapse in many prices during the coronavirus crisis last spring created a so-called "base effect" that, along with supply chain disruptions, will push consumer price inflation into the 4-6% range on a year-over-year basis, a rate that three deflationary forces – good, bad, and cyclical – are likely to unwind during the next year.

Innovation is the source of good deflation, as learning curves cut costs and increase productivity. Conversely, we believe many companies have catered to short-term oriented, risk-averse shareholders who have demanded profits/dividends "now." As a result, many have leveraged their balance sheets to buy back stock, bolster earnings, and increase dividends. In so doing, many have curtailed investments in innovation and could be facing disintermediation and disruption. With aging products and services, they could be forced to cut prices to clear inventories and service their bloated debts, resulting in bad deflation. During the pandemic, consumption shifted from services to goods as people were quarantined. As businesses have scrambled to catch up with demand, we are concerned that there has been double- and triple- ordering of goods, which could result in a significant inventory overhang. As the world reopens, incremental consumption should shift back to services, which could end supply chain issues abruptly. In response to the excess supply, commodity prices could unwind as sharply as they have increased, resulting in cyclical deflation. If we are correct in our assessment that the risk to the outlook is deflation, not inflation, then nominal GDP growth is likely to be much lower than expected, suggesting that scarce double-digit growth opportunities will be rewarded accordingly. Growth stocks in general and, specifically, innovation-driven stocks could be the prime beneficiaries.

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JULY 2021

Financial
period ended
31.7.2021
USD

INVESTMENT LOSS

Interest income from financial assets at amortised cost	8,830
Net loss on foreign currency exchange	(531,887)
Net loss on forward foreign currency contracts at fair value through profit or loss	(12,141,638)
Net loss on financial assets at fair value through profit or loss	(20,700,237)
	<u>(33,364,932)</u>

EXPENSES

Management fee	(3,652,982)
Trustee fee	(119,086)
Fund accounting fee	(1,986)
Auditors' remuneration	(1,356)
Tax agent's fee	(633)
Other expenses	(6,512)
	<u>(3,782,555)</u>

NET LOSS BEFORE TAXATION

(37,147,487)

Taxation

-

DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER

(37,147,487)

Decrease in net asset attributable to unitholders
is made up of the following:

Realised amount	2,275,997
Unrealised amount	(39,423,484)
	<u>(37,147,487)</u>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

2021
USD

ASSETS

Cash and cash equivalents	19,884,089
Amount due from Manager	
- creation of units	2,114,976
- management fee rebate receivable	242,295
Financial assets at fair value through profit or loss	377,955,894
Forward foreign currency contracts at fair value through profit or loss	24,136
TOTAL ASSETS	400,221,390

LIABILITIES

Forward foreign currency contracts at fair value through profit or loss	9,592,314
Amount due to broker	2,660,000
Amount due to Manager	
- management fee	612,141
- cancellation of units	416,366
Amount due to Trustee	19,853
Auditors' remuneration	1,318
Tax agent's fee	615
Other payables and accruals	(177)
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	13,302,430

NET ASSET VALUE OF THE FUND **386,918,960**

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS **386,918,960**

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

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

2021
USD

REPRESENTED BY:

FAIR VALUE OF OUTSTANDING UNITS

- AUD Hedged-class	8,180,616
- MYR Hedged-class	331,032,927
- SGD Hedged-class	12,456,760
- USD Class	35,248,657
	<hr/>
	386,918,960
	<hr/> <hr/>

NUMBER OF UNITS IN CIRCULATION

- AUD Hedged-class	19,062,000
- MYR Hedged-class	2,390,286,000
- SGD Hedged-class	28,914,000
- USD Class	60,231,000
	<hr/>
	2,498,493,000
	<hr/> <hr/>

NET ASSET VALUE PER UNIT (USD)

- AUD Hedged-class	0.4292
- MYR Hedged-class	0.1385
- SGD Hedged-class	0.4308
- USD Class	0.5852
	<hr/>
	<hr/> <hr/>

NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES

- AUD Hedged-class	AUD0.5798
- MYR Hedged-class	RM0.5843
- SGD Hedged-class	SGD0.5822
- USD Class	USD0.5852
	<hr/>
	<hr/> <hr/>

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 JULY 2021

Financial
period ended
31.7.2021
USD

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH

-

Movement due to units created and cancelled during
the financial period

Creation of units arising from applications

548,292,109

- AUD Hedged-class
- MYR Hedged-class
- SGD Hedged-class
- USD Class

13,048,381
466,334,052
17,100,368
51,809,308

Cancellation of units

(124,225,662)

- AUD Hedged-class
- MYR Hedged-class
- SGD Hedged-class
- USD Class

(4,193,097)
(101,810,648)
(3,646,927)
(14,574,990)

Decrease in net assets attributable to
unitholders during the financial period

(37,147,487)

- AUD Hedged-class
- MYR Hedged-class
- SGD Hedged-class
- USD Class

(674,668)
(33,490,477)
(996,681)
(1,985,661)

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD

386,918,960

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)