QUARTERLY REPORT
31 July 2023

Affin Hwang World Series – **Global Disruptive Innovation** Fund

MANAGER
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AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

Quarterly Report and Financial Statements
As at 31 July 2023.

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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 2023	As at 28 Apr 2023
Total NAV (USD'million)	11.475	9.601
NAV per Unit (USD)	0.2224	0.1812
Unit in Circulation (million)	51.602	52.974

MYR Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (RM'million)	511.710	442.475
NAV per Unit (RM)	0.2176	0.1780
Unit in Circulation (million)	2351.935	2486.234

SGD Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (SGD'million)	4.456	3.681
NAV per Unit (SGD)	0.2126	0.1739
Unit in Circulation (million)	20.961	21.168

AUD Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (AUD'million)	3.482	2.944
NAV per Unit (AUD)	0.2004	0.1645
Unit in Circulation (million)	17.379	17.892

Fund Performance

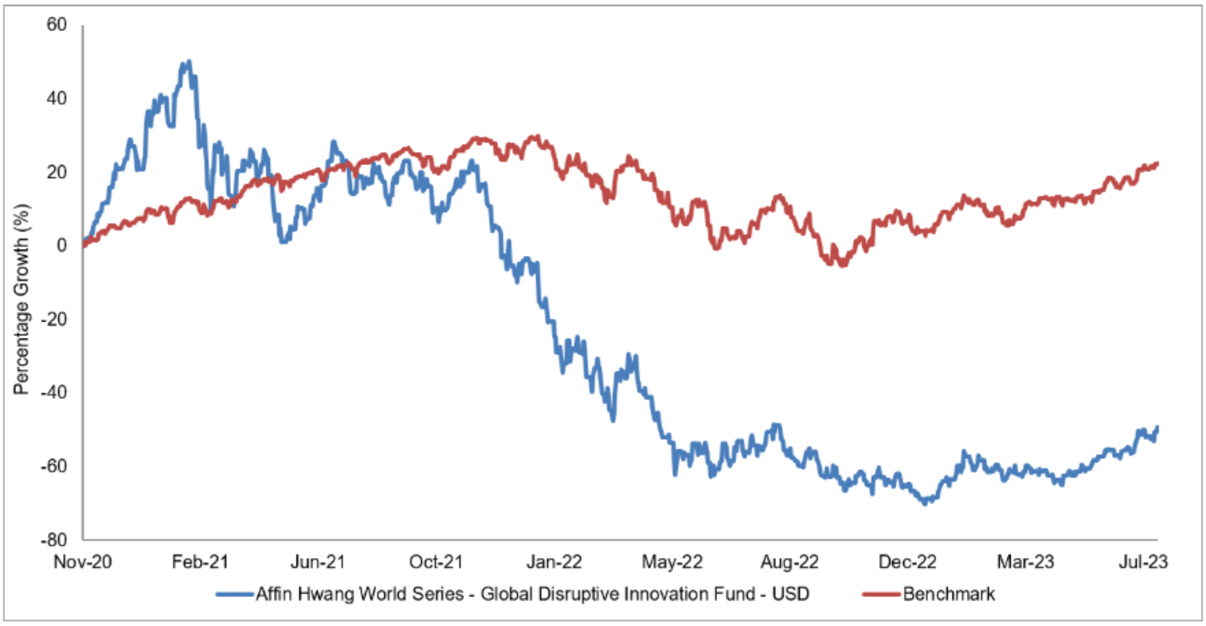
USD Class

Table 1: Performance as at 31 July 2023

	3 Months (1/5/23 - 31/7/23)	6 Months (1/2/23 - 31/7/23)	1 Year (1/8/22 - 31/7/23)	Since Commencement (10/11/20 - 31/7/23)
Fund	39.68%	26.87%	13.45%	(49.38%)
Benchmark	8.05%	10.03%	11.58%	22.47%
Outperformance	31.63%	16.84%	1.87%	(71.85%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



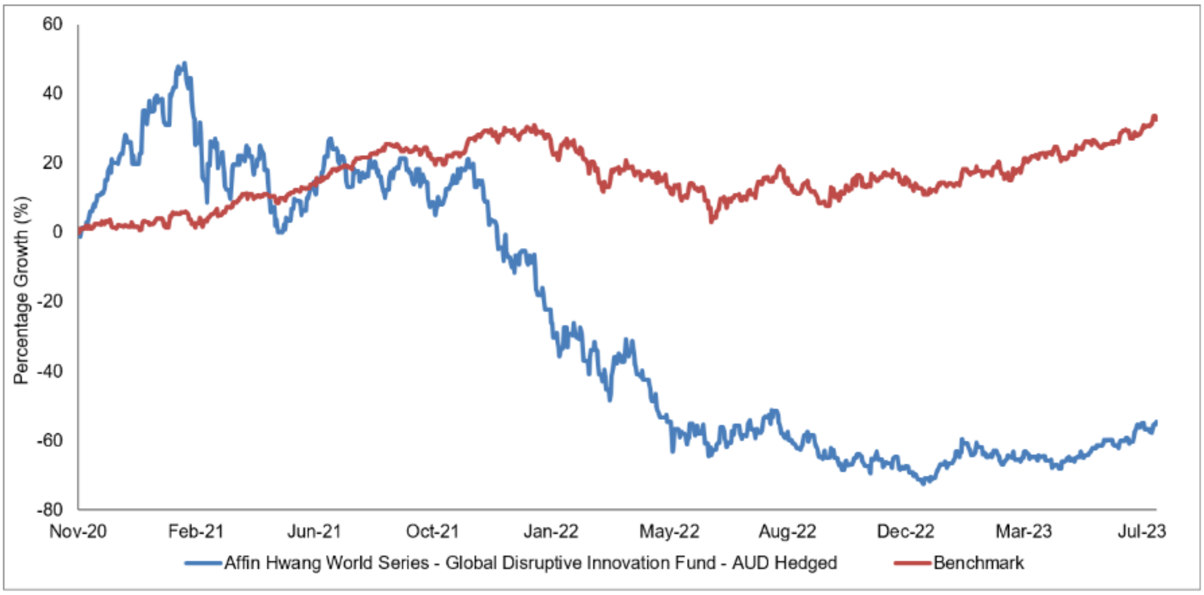
AUD Hedged Class

Table 1: Performance as at 31 July 2023

	3 Months (1/5/23 - 31/7/23)	6 Months (1/2/23 - 31/7/23)	1 Year (1/8/22 - 31/7/23)	Since Commencement (10/11/20 - 31/7/23)
Fund	38.18%	24.28%	7.57%	(54.54%)
Benchmark	6.32%	15.33%	15.77%	32.71%
Outperformance	31.86%	8.95%	(8.20%)	(87.25%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



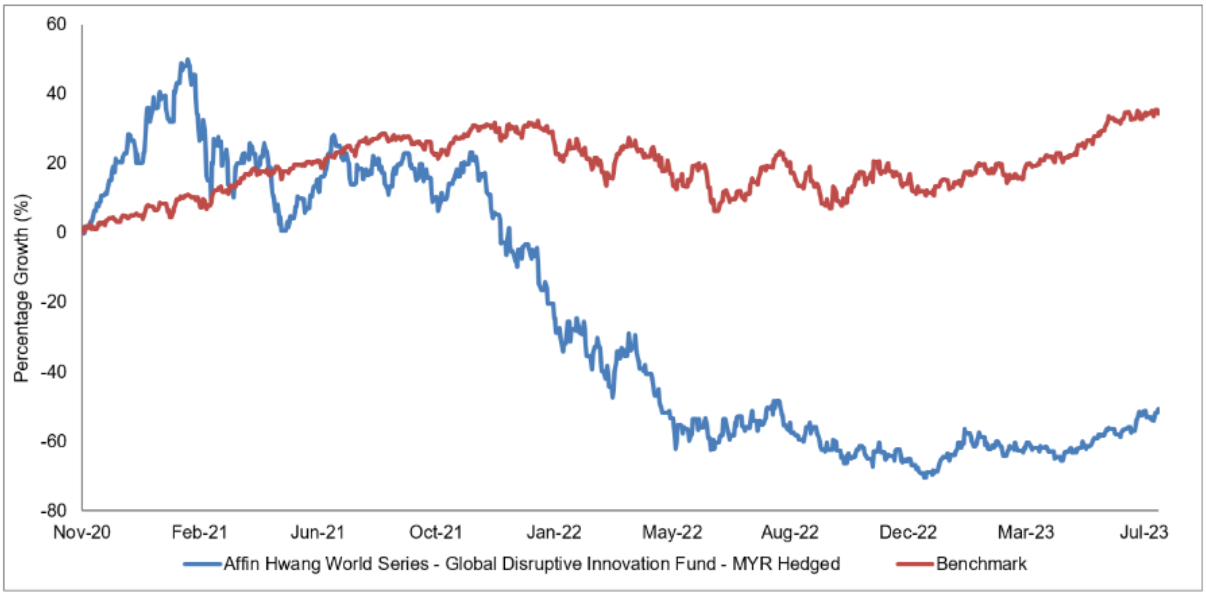
MYR Hedged Class

Table 1: Performance as at 31 July 2023

	3 Months (1/5/23 - 31/7/23)	6 Months (1/2/23 - 31/7/23)	1 Year (1/8/22 - 31/7/23)	Since Commencement (10/11/20 - 31/7/23)
Fund	38.45%	24.90%	9.91%	(50.74%)
Benchmark	9.17%	16.35%	13.00%	34.35%
Outperformance	29.28%	8.55%	(3.09%)	(85.09%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



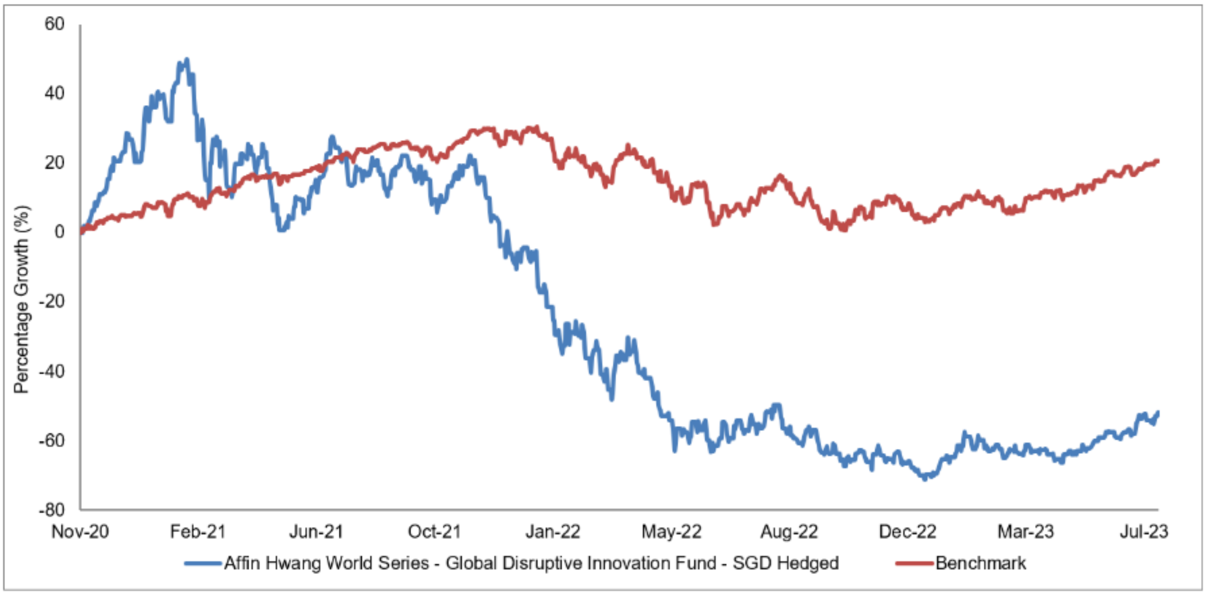
SGD Hedged Class

Table 1: Performance as at 31 July 2023

	3 Months (1/5/23 - 31/7/23)	6 Months (1/2/23 - 31/7/23)	1 Year (1/8/22 - 31/7/23)	Since Commencement (10/11/20 - 31/7/23)
Fund	38.87%	25.59%	10.58%	(51.70%)
Benchmark	7.63%	11.22%	7.23%	20.78%
Outperformance	31.24%	14.37%	3.35%	(72.48%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



"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

Fund's asset mix during the period under review:

	31 July 2023
	(%)
Unit Trust	96.73
Derivative	0.81
Cash & money market	2.46
Total	100.00

Strategies Employed & Market Review

Broad-based global equities appreciated during the month. AI continues to be a focal point of the market, thanks to provocative proofs of concepts and ChatGPT specifically. Increased demand for AI hardware is pointing toward a significant acceleration in software revenue growth. As companies develop AI-powered products and services, ARK estimates that software may generate up to USD 8 of revenue for every dollar spent on AI hardware by 2030. In what could be “winner take most” opportunities, ARK believes companies with large pools of proprietary data and broad-based distribution should be best positioned to capitalize on AI use cases and reap the potentially dramatic productivity gains associated with generative AI.

Relative to the MSCI World Index, the energy, communication services and financial sectors outperformed in July, while the healthcare, consumer staples and utilities sectors lagged. Some of the largest beneficiaries of the rotation to cyclicals, energy and financial services, could be disrupted significantly during the next five years. In ARK’s view, autonomous electric vehicles and digital wallets, including blockchain technologies, cryptocurrencies and decentralised financial services, will disrupt and disintermediate both energy and financial services.

The top contributors of the Target Fund included Roku Inc, Coinbase Global Inc, Block Inc, DraftKings Inc and Ginkgo Bioworks Holdings. Shares of Roku traded up after the company released its second quarter 2023 (2Q23) results. Roku’s platform revenue grew 11% year-over- year (YoY), as active accounts increased 16% to 73.5 million and streaming hours jumped 21% to 25.1 billion. Roku's 2Q23 results reaffirm ARK’s conviction in its potential to revolutionise digital streaming and displace linear TV incumbents. Moreover, the company also announced a partnership with Shopify to bring shoppable ads to its users earlier in July. Shares of Coinbase and other crypto-related stocks like Block rallied after the company relisted Ripple’s XRP after a landmark ruling by a US District Court, which states that the coin is not a security in terms of sales to the general public. ARK maintains conviction in Coinbase’s leadership across the crypto ecosystem. Shares of DraftKings appreciated after an analyst upgraded the stock, noting a materially faster ramp of new state openings and higher online betting from parlays and game mix. Ginkgo Bioworks shares rallied after the US Intelligence Community awarded it a contract to develop a biosensor that can track the cellular histories of the microbial genome. As part of the collaboration, Gingko also intends to develop processes to retrieve this data so that the microbe's past exposures can be analysed.

The top detractors included Roblox Corp, Materialise NV, 3D Systems Corporation, Beam Therapeutics Inc and Pacific Biosciences of California Inc. Shares of Roblox traded down following relatively little company specific news. Roblox provides a creator-first digital entertainment platform and a 3D engine, both of which allow third-party developers around the world to create games and experiences for users. Materialise shares detracted from performance in July. The company posted its 2Q23 earnings, with GAAP (Generally Accepted Accounting Principles) earnings per share of USD -0.01 and YoY revenue growth of 11.6%. The company also maintained its previous revenue and adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) guidance for the rest of 2023. Shares of 3D Systems continued to trade down after it announced its intention to acquire Stratasys. The company is targeting 4 Aug 2023 for the completion of talks with Stratasys. ARK continues to monitor these developments closely. Shares of Beam Therapeutics traded down on relatively little company-specific news. Beam Therapeutics is a clinical stage pharmaceutical company developing gene editing therapies that employ a cutting-edge, next generation base-editing technique, which could be beneficial for allowing less off-target edits. Shares of Pacific Biosciences of California (PacBio) traded down on relatively little company-specific news. ARK remains convicted in the name and believes that PacBio, which is already the dominant supplier of long-read sequencing (LRS) instruments and consumables, is well positioned to capitalise on what ARK predicts will be a continued growth trend in the demand for LRS.

Investment Outlook

During July, US economic data was not as clear-cut. While the labor market seemed resilient, a number of leading indicators are warning of recession.

With a strong correlation to GDP, the US Leading Economic Index has dropped for 15 consecutive months, the longest streak of consecutive decreases since 2007-2008. In 2022, GDP declined for two consecutive quarters, a technical recession. During the last two quarters, Gross Domestic Income (GDI), which should equal GDP over time, has declined sequentially. The divergence in growth between GDP and GDI is begging the question about future revisions: will GDI be revised up or GDP down? ARK’s view is the latter.

According to the Senior Loan Officer Opinion Survey, the willingness of banks to lend is plummeting, often a leading indicator of recession. Borrowing and lending play pivotal roles during economic expansions. The demand for commercial and industrial loans is consistent with previous recession levels, and the Bank of America Fund Manager Survey suggests that commercial real estate could be the epicenter of the next financial crisis.

US consumer sentiment remains at levels last seen during the Global Financial Crisis in 2008-2009 and back-to-back recessions with double-digit inflation and interest rates during the early 1980s. Meanwhile, the personal saving rate has collapsed from 9.3% pre-COVID to 4.3%, which when coupled with historically low consumer sentiment is pointing toward weakness in consumption growth. Adding to those concerns, the third largest category of non-housing debt, credit card balances have reached a record high level at around USD 1 trillion. Because interest rates on credit cards nearly doubled to 20-21% during the past ten years, the burden of credit card debt has intensified. Additionally, student loan payments are slated to resume this October, further pressuring consumer purchasing power.

Recent economic data and comments from the US Federal Reserve (Fed) appear to have tempered investors' previous expectations of interest rate declines. Now, interest rate futures are pricing in a slowdown or recession and one or two more rate hikes before interest rates start to decline. Should an economic slowdown evolve into a hard landing, the slope of interest rate declines could steepen.

The Federal Funds Target Rate surged 22-fold last year, a faster pace than all previous tightening cycles, including the one in 1980- 1981 that crushed inflation, creating significant strains at regional banking and in commercial real estate. Bank deposits have dropped 4.0% YoY, the largest decline since 1948. ARK believes additional rate hikes will exacerbate this fragile situation.

While the Fed is determined to squelch inflation by increasing interest rates, the bond market has been signaling that it could be making a major mistake. Since March 2021, the yield curve (as measured by the difference between yields on the 10-year Treasury bond and the 2-year Treasury note) has flattened by 250 basis points (bps), inverting from +159 to -91 bps, the worst inversion since the early 1980s when the Fed was fighting entrenched double-digit inflation. This dynamic suggests that both real growth and inflation could surprise on the low side of expectations. In ARK's view, the Fed is making decisions based on lagging indicators, employment and headline inflation, and ignoring leading indicators that are telegraphing recession and/or price deflation.

The Fed began increasing interest rates when the Consumer Price Index (CPI), a lagging economic indicator, reached 8.5% on a YoY basis in March 2022. Shortly thereafter, an inflationary surge influenced by geopolitical pressures and inventory hoarding peaked at 9.1% YoY. Since then, CPI inflation has dropped to 3.0%, thanks to various deflationary forces, good, bad, and cyclical.

Innovation is a potential source of good deflation, as learning curves can cut costs and increase productivity. Yet, ARK believes many companies have catered to short-term-oriented, risk-averse shareholders, satisfying their demands for profits/dividends "now". On balance, they have leveraged their balance sheets to buy back stock, bolster earnings, and increase dividends. In so doing, many have curtailed investments and could be ill-prepared for the potential disintermediation associated with disruptive innovation. Saddled with aging products and services, they could be forced to cut prices to clear unwanted inventories and service debt, causing bad deflation.

If ARK is correct in their assessment that growth, inflation, or both will surprise on the low side of expectations, scarce double-digit growth opportunities should be rewarded accordingly. The adoption of new technologies typically accelerates during tumultuous times, as concerned businesses and consumers change their behavior much more rapidly than otherwise would be the case. As a result, stocks of innovation-oriented companies have historically performed better and emerged as new market leaders toward the end of a bear market. ARK believes the coronavirus crisis and Russia's invasion of Ukraine have transformed the world significantly and permanently, suggesting that many innovation-driven strategies and stocks could be productive holdings during the next five to 10 years.

In ARK's view, the wall of worry bodes well for equities in the innovation space. The strongest bull markets climb walls of worry, a fact that those making comparisons to the technology and telecom bubble seem to forget. No wall of worry existed or tested the equity market in 1999. This time around, the wall of worry has scaled to enormous heights.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JULY 2023

	Financial period ended 31.7.2023 USD	Financial period ended 31.7.2022 USD
INVESTMENT INCOME/(LOSS)		
Interest income from financial assets at amortised cost	7,554	7,107
Net gain/(loss) on foreign currency exchange	106,757	(118,259)
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	2,100,098	(12,700,033)
Net gain/(loss) on financial assets at fair value through profit or loss	39,289,450	(256,582,176)
	41,503,859	(269,393,361)
EXPENSES		
Management fee	(1,698,536)	(3,232,307)
Trustee fee	(55,155)	(104,932)
Fund accounting fee	(2,599)	(2,462)
Auditors' remuneration	(1,389)	(1,457)
Tax agent's fee	(608)	(637)
Other expenses	(7,715)	(9,336)
	(1,766,002)	(3,351,131)
NET PROFIT/(LOSS) BEFORE TAXATION	39,737,857	(272,744,492)
Taxation	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER	39,737,857	(272,744,492)
Increase/(decrease) in net asset attributable to unitholders is made up of the following:		
Realised amount	(53,825,212)	(33,207,514)
Unrealised amount	93,563,069	(239,536,978)
	39,737,857	(272,744,492)

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

	2023 USD	2022 USD
ASSETS		
Cash and cash equivalents	2,401,748	9,368,834
Amount due from Manager		
- creation of units	1,537,729	83,074
- management fee rebate receivable	85,284	95,188
Financial assets at fair value through profit or loss	144,560,273	146,786,216
Forward foreign currency contracts at fair value through profit or loss	1,729,856	29,970
TOTAL ASSETS	150,314,890	156,363,282
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	521,012	4,967,253
Amount due to Manager		
- management fee	215,128	238,632
- cancellation of units	117,735	1,678,563
Amount due to Trustee	6,977	7,739
Fund accounting fee	259	-
Auditors' remuneration	1,381	1,398
Tax agent's fee	604	612
Other payables and accruals	77	6
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	863,173	6,894,203
NET ASSET VALUE OF THE FUND	149,451,717	149,469,079
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	149,451,717	149,469,079

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023 (CONTINUED)

	2023 USD	2022 USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	2,647,049	2,604,442
- MYR Hedged-class	129,637,551	130,263,893
- SGD Hedged-class	3,876,007	3,554,502
- USD Class	13,291,110	13,046,242
	149,451,717	149,469,079
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	17,379,000	17,661,000
- MYR Hedged-class	2,371,458,000	2,586,086,000
- SGD Hedged-class	21,344,000	22,445,000
- USD Class	52,507,000	58,475,000
	2,462,688,000	2,684,667,000
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.1523	0.1475
- MYR Hedged-class	0.0547	0.0504
- SGD Hedged-class	0.1816	0.1584
- USD Class	0.2531	0.2231
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.2273	AUD0.2113
- MYR Hedged-class	RM0.2463	RM0.2241
- SGD Hedged-class	SGD0.2415	SGD0.2184
- USD Class	USD0.2531	USD0.2231

AFFIN HWANG WORLD SERIES – GLOBAL DISRUPTIVE INNOVATION FUND

UNAUDITED STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 JULY 2023

	Financial period ended 31.7.2023 USD	Financial period ended 31.7.2022 USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	119,444,262	398,082,175
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	11,028,689	69,579,952
- AUD Hedged-class	148,558	1,816,912
- MYR Hedged-class	10,216,732	59,724,367
- SGD Hedged-class	126,190	961,334
- USD Class	537,209	7,077,339
Cancellation of units	(20,759,091)	(45,448,556)
- AUD Hedged-class	(202,394)	(1,244,298)
- MYR Hedged-class	(18,474,507)	(34,511,569)
- SGD Hedged-class	(272,157)	(2,819,401)
- USD Class	(1,810,033)	(6,873,288)
Increase/(decrease) in net assets attributable to unitholders during the financial period	39,737,857	(272,744,492)
- AUD Hedged-class	690,122	(5,243,926)
- MYR Hedged-class	34,747,630	(237,749,517)
- SGD Hedged-class	1,084,837	(6,939,326)
- USD Class	3,215,268	(22,811,723)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	149,451,717	149,469,079

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