



**QUARTERLY REPORT**  
31 July 2023

# Affin Hwang World Series – **Long Term** **Global Growth Fund**

**MANAGER**  
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# AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH 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 – Long Term Global Growth 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 All Country 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)	8.430	8.145
NAV per Unit (USD)	0.3933	0.3522
Unit in Circulation (million)	21.434	23.128

#### MYR Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (RM'million)	207.241	191.680
NAV per Unit (RM)	0.3876	0.3482
Unit in Circulation (million)	534.610	550.421

#### SGD Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (SGD'million)	5.193	4.669
NAV per Unit (SGD)	0.3776	0.3391
Unit in Circulation (million)	13.753	13.767

#### AUD Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (AUD'million)	2.742	2.466
NAV per Unit (AUD)	0.3730	0.3356
Unit in Circulation (million)	7.352	7.349

**Fund Performance**

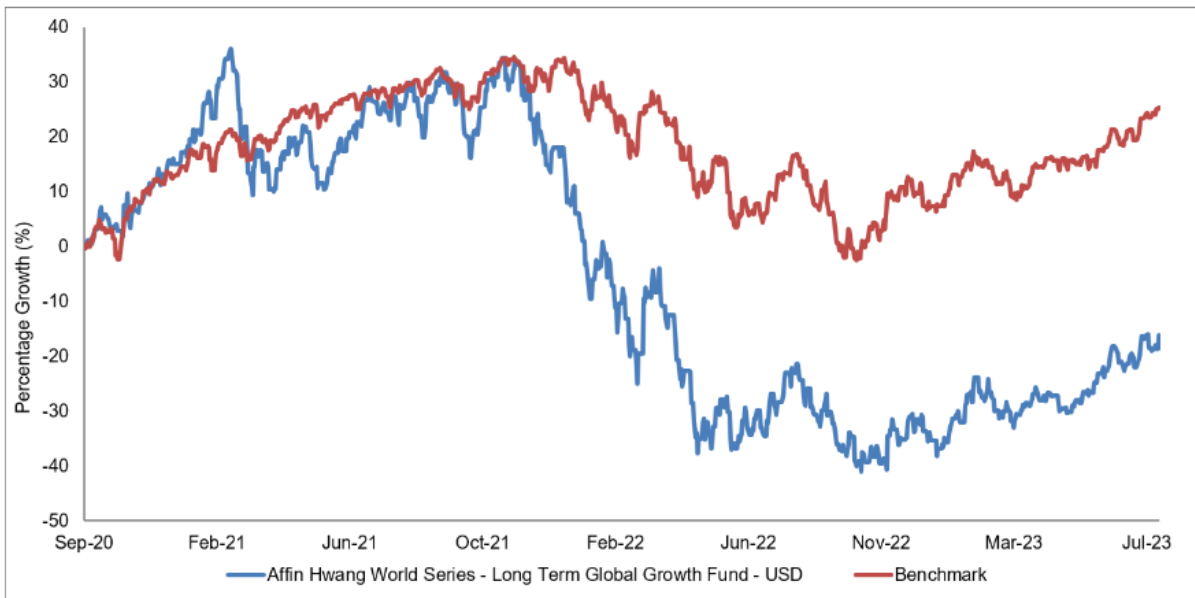
**USD Class**

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 (29/9/20 - 31/7/23)
Fund	19.17%	17.10%	17.20%	(16.06%)
Benchmark	7.96%	9.06%	10.88%	25.33%
Outperformance	11.21%	8.04%	6.32%	(41.39%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



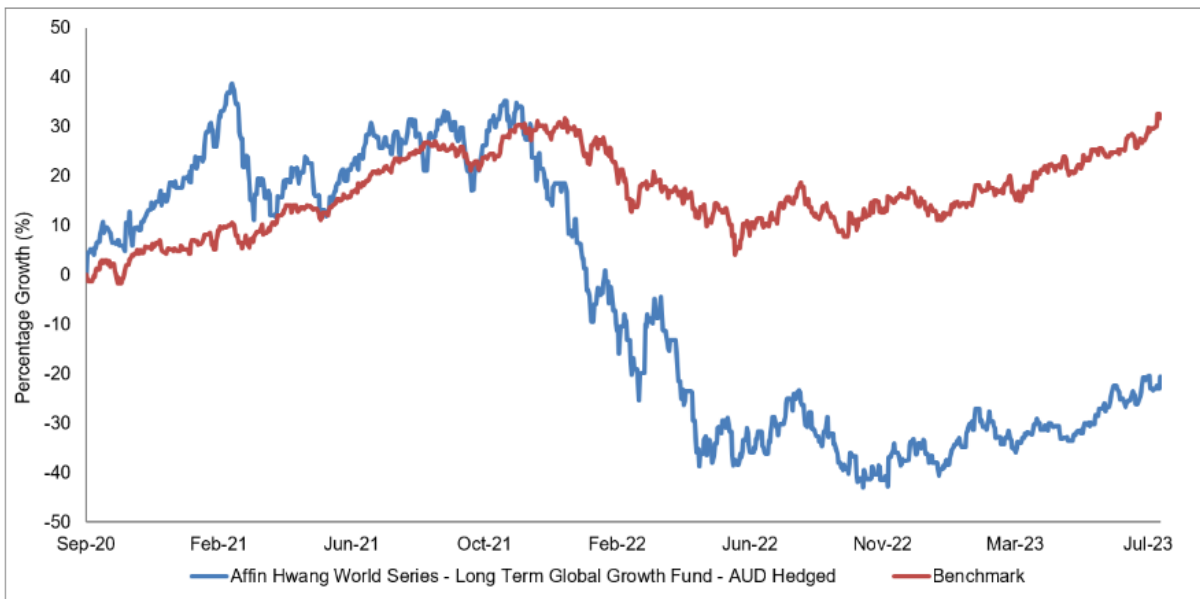
**AUD Hedged Class**

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 (29/9/20 - 31/7/23)
Fund	18.30%	15.71%	13.72%	(20.60%)
Benchmark	6.22%	14.31%	15.05%	31.65%
Outperformance	12.08%	1.40%	(1.33%)	(52.25%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



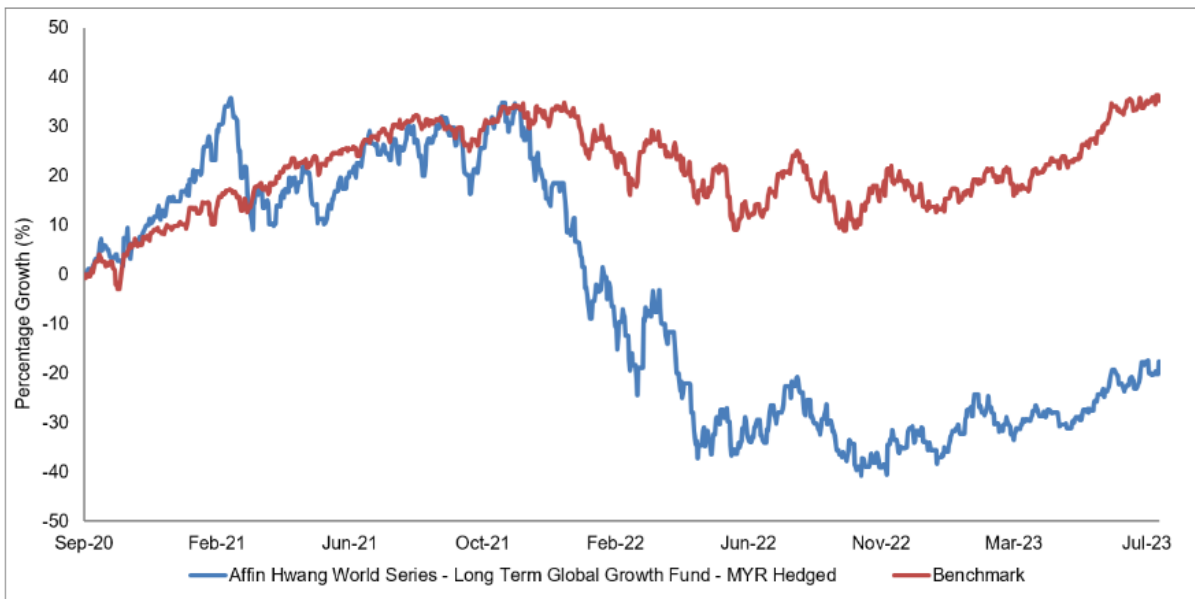
**MYR Hedged Class**

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 (29/9/20 - 31/7/23)
Fund	18.24%	15.52%	14.23%	(17.66%)
Benchmark	9.07%	15.33%	12.29%	35.28%
Outperformance	9.17%	0.19%	1.94%	(52.94%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



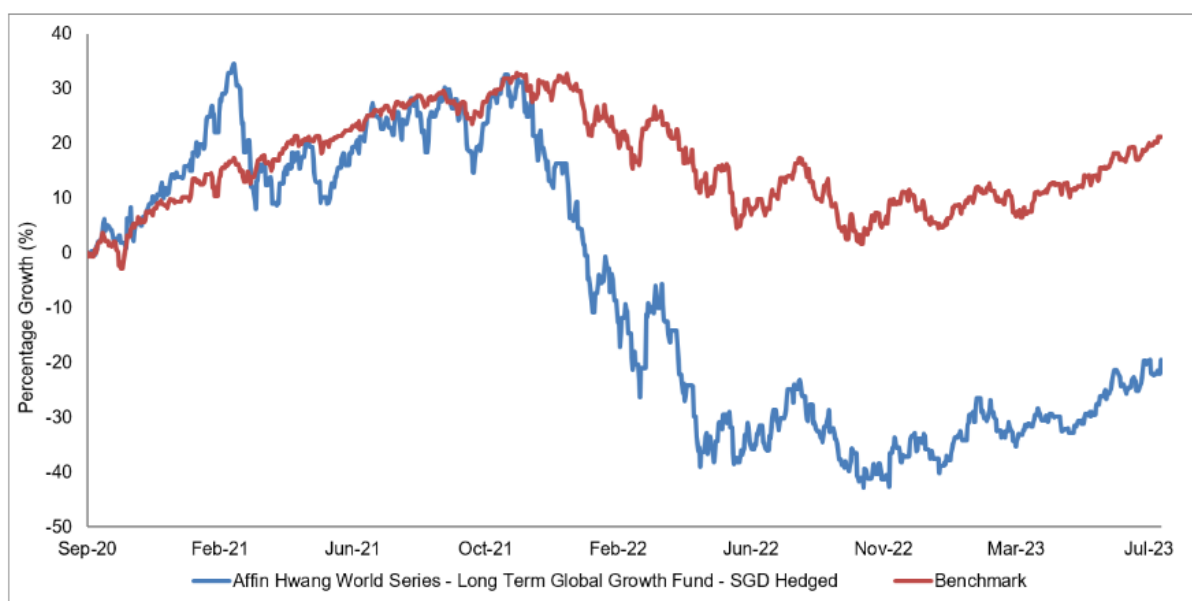
## **SGD Hedged Class**

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 (29/9/20 - 31/7/23)
Fund	18.61%	16.28%	15.11%	(19.56%)
Benchmark	7.54%	10.24%	6.57%	21.26%
Outperformance	11.07%	6.04%	8.54%	(40.82%)

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 All Country 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	97.89
Derivative	0.46
Cash & money market	1.65
Total	100.00

## **Strategies Employed**

Long Term Global Growth is a purely stock-driven, unconstrained global equity strategy focused on investing in exceptional growth companies from around the world. The approach is committed and expressly long-term because we believe that investing in companies with the scope to grow to multiples of their current size over

the next decade has the potential to transform the returns achieved for investors over time. Portfolio holding sizes are based purely on our view of the magnitude of the potential upside and our associated level of conviction. The turnover in the portfolio is low, reflecting our long-term perspective and resistance to trading on short-term news-flow.

## **Market Review**

It appears counterintuitive that a higher cost of capital, spurred by elevated inflation and interest rate hikes, would be conducive to growth. Target Fund Manager is pleased to see some recovery in LTGG's performance during 2023, with one-year numbers now ahead of the benchmark, in line with 5-year and since inception. However, there is still some way to go before they undo the severe underperformance experienced on a 3-year view.

The stock market has had a lot to digest over the last three years. The easy narrative is that growth stocks are victims of inflation and higher interest rates, and they saw that reflected in the extreme drawdowns that dominated 2022. And while the sell-off was largely indiscriminate, it is important to distinguish between economic growth, the broad category that is "growth equities," and an actively managed, selective portfolio like LTGG.

Now that capital costs have increased, unruly companies have been required to pull back, while the disciplined outliers have been able to forge ahead and win share from those in retreat. This has been the clear theme emerging from our interactions with several LTGG holdings, and we have been excited to see the strength of the green shoots across the portfolio.

The surge in NVIDIA's share price has largely been fuelled by the market's enthusiasm for applications around Artificial Intelligence, particularly the likes of ChatGPT, which had been unveiled at the end of 2022 and saw what is believed to be the fastest rate of adoption of new technology in history. Despite this adjustment, NVIDIA continues to dominate the realm of accelerated computing, boasting an impressive structural opportunity and an unshakeable competitive edge. This was validated by the company announcing in May that it would be boosting production to meet surging demand, which would see second-quarter revenue increase by \$4 billion above original forecasts.

Slowdown in demand, following explosive growth during the pandemic, saw Shopify's share price precipitate more than 80% from its peak. Over the last twelve months, however, there has been some recovery. The company has looked to reduce its cost base by cutting more than 10% of its workforce. It has also narrowed its strategic focus and divested from its logistics arm. This is together with a successful price hike for lowest subscription tier customers, showing clear pricing power.

Netflix's share price has gained momentum over the last 12 months, reflecting the successful launch of their ad-tier and introduction of measures to crackdown on password sharing. Both initiatives should drive increased average revenue per user, as well as improve profitability. Additionally, the growth runway remains attractive, with less than 40% of viewing time currently being captured by streaming, with Netflix commanding one-quarter of this volume.

## **Investment Outlook**

As Target Fund Manager looks ahead to the second half of the year, they see reason for optimism. Target Fund holdings demonstrate promising adaptability and resilience, positioning them to thrive – not in spite of the challenging macroeconomic conditions but because of them.

The portfolio holdings are, on average, markedly better capitalised than the index. Top-line growth over the last twelve months has averaged c.20%. And, the portfolio holdings are quietly spending over three times more than the index on Research and Development as a proportion of sales. All things being equal, this will only strengthen their competitive advantages.

Target Fund Manager sees an overlooked opportunity. Market participants continue to flutter like moths around the torchlight of the Federal Reserve and are struggling to calibrate company prospects for 2024, let alone 2030 and beyond. The potential rewards for those able to adopt a genuinely long-term timeframe have rarely felt more attractive.



## AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

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

	Financial period ended <u>31.7.2023</u> USD	Financial period ended <u>31.7.2022</u> USD
<b>INVESTMENT INCOME/(LOSS)</b>		
Interest income from financial assets at amortised cost	1,239	651
Net gain on foreign currency exchange	17,073	17,734
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	1,041,715	(4,192,175)
Net gain/(loss) on financial assets at fair value through profit or loss	<u>18,533,129</u>	<u>(51,081,789)</u>
	<u>19,593,156</u>	<u>(55,255,579)</u>
<b>EXPENSES</b>		
Management fee	(801,172)	(1,108,588)
Trustee fee	(25,995)	(35,978)
Fund accounting fee	(2,599)	(2,462)
Auditors' remuneration	(1,389)	(1,457)
Tax agent's fee	(608)	(638)
Other expenses	(4,335)	(4,642)
	<u>(836,098)</u>	<u>(1,153,765)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>	18,757,058	(56,409,344)
Taxation	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>18,757,058</u>	<u>(56,409,344)</u>
Increase/(decrease) of net asset attributable to unitholders is made up of the following:		
Realised amount	(7,839,015)	(3,163,910)
Unrealised amount	<u>26,596,073</u>	<u>(53,245,434)</u>
	<u>18,757,058</u>	<u>(56,409,344)</u>

## AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	<u>2023</u> USD	<u>2022</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	1,148,660	2,581,659
Amount due from Manager		
- creation of units	30,428	32,848
- management fee rebate receivable	31,597	30,737
Financial assets at fair value through profit or loss	62,619,188	60,207,009
Forward foreign currency contracts at fair value through profit or loss	562,470	29,415
<b>TOTAL ASSETS</b>	<u>64,392,343</u>	<u>62,881,668</u>
<b>LIABILITIES</b>		
Forward foreign currency contracts at fair value through profit or loss	266,139	1,416,781
Amount due to Manager		
- management fee	96,068	93,148
- cancellation of units	53,014	9,281
Amount due to Trustee	3,122	3,021
Fund accounting fee	259	-
Auditors' remuneration	1,381	1,398
Tax agent's fee	604	1,398
Other payable and accruals	524	171
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)</b>	<u>421,111</u>	<u>1,525,198</u>
<b>NET ASSET VALUE OF THE FUND</b>	<u>63,971,232</u>	<u>61,356,470</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>63,971,232</u>	<u>61,356,470</u>

## AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

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

	<u>2023</u> USD	<u>2022</u> USD
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- AUD Hedged-class	1,954,344	1,867,272
- MYR Hedged-class	48,809,901	46,040,246
- SGD Hedged-class	4,190,458	3,968,476
- USD Class	9,016,529	9,480,476
	<u>63,971,232</u>	<u>61,356,470</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- AUD Hedged-class	7,347,000	7,664,000
- MYR Hedged-class	534,102,000	568,388,000
- SGD Hedged-class	13,854,000	15,664,000
- USD Class	21,482,000	26,474,000
	<u>576,785,000</u>	<u>618,190,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- AUD Hedged-class	0.2660	0.2436
- MYR Hedged-class	0.0914	0.0810
- SGD Hedged-class	0.3025	0.2534
- USD Class	0.4197	0.3581
	<u>0.4197</u>	<u>0.3581</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- AUD Hedged-class	AUD0.3970	AUD0.3491
- MYR Hedged-class	RM0.4117	RM0.3604
- SGD Hedged-class	SGD0.4022	SGD0.3494
- USD Class	USD0.4197	USD0.3581
	<u>USD0.4197</u>	<u>USD0.3581</u>

## AFFIN HWANG WORLD SERIES – LONG TERM GLOBAL GROWTH FUND

### UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER FOR THE FINANCIAL PERIOD ENDED 31 JULY 2023

	Financial period ended <u>31.7.2023</u> USD	Financial period ended <u>31.7.2022</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	49,737,078	116,917,395
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	1,941,109	12,712,270
- AUD Hedged-class	106,987	638,027
- MYR Hedged-class	1,734,447	9,832,031
- SGD Hedged-class	40,395	649,034
- USD Class	59,280	1,593,178
Cancellation of units	(6,464,013)	(11,863,851)
- AUD Hedged-class	(136,761)	(424,562)
- MYR Hedged-class	(4,063,770)	(7,912,839)
- SGD Hedged-class	(488,050)	(1,598,452)
- USD Class	(1,775,432)	(1,927,998)
Net increase/(decrease) in net assets attributable to unitholders during the financial period	18,757,058	(56,409,344)
- AUD Hedged-class	562,985	(1,997,866)
- MYR Hedged-class	14,216,445	(42,885,874)
- SGD Hedged-class	1,330,920	(3,584,070)
- USD Class	2,646,708	(7,941,534)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u>63,971,232</u>	<u>61,356,470</u>

**AHAM Asset Management Berhad**

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