

QUARTERLY REPORT
31 July 2023

**Affin Hwang World
Series – Next
Generation
Technology Fund**

MANAGER
AHAM Asset Management Berhad
*(Formerly known as Affin Hwang Asset
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AFFIN HWANG WORLD SERIES – NEXT GENERATION TECHNOLOGY 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 – Next Generation Technology 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 ACWI Information Technology 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)	8.965	8.189
NAV per Unit (USD)	0.2784	0.2369
Unit in Circulation (million)	32.199	34.564

MYR Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (RM'million)	558.711	490.819
NAV per Unit (RM)	0.2770	0.2365
Unit in Circulation (million)	2016.967	2075.560

SGD Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (SGD'million)	5.087	4.565
NAV per Unit (SGD)	0.2723	0.2326
Unit in Circulation (million)	18.681	19.625

AUD Hedged-class

Category	As at 31 Jul 2023	As at 28 Apr 2023
Total NAV (AUD'million)	4.540	4.054
NAV per Unit (AUD)	0.2624	0.2243
Unit in Circulation (million)	17.301	18.075

Fund Performance

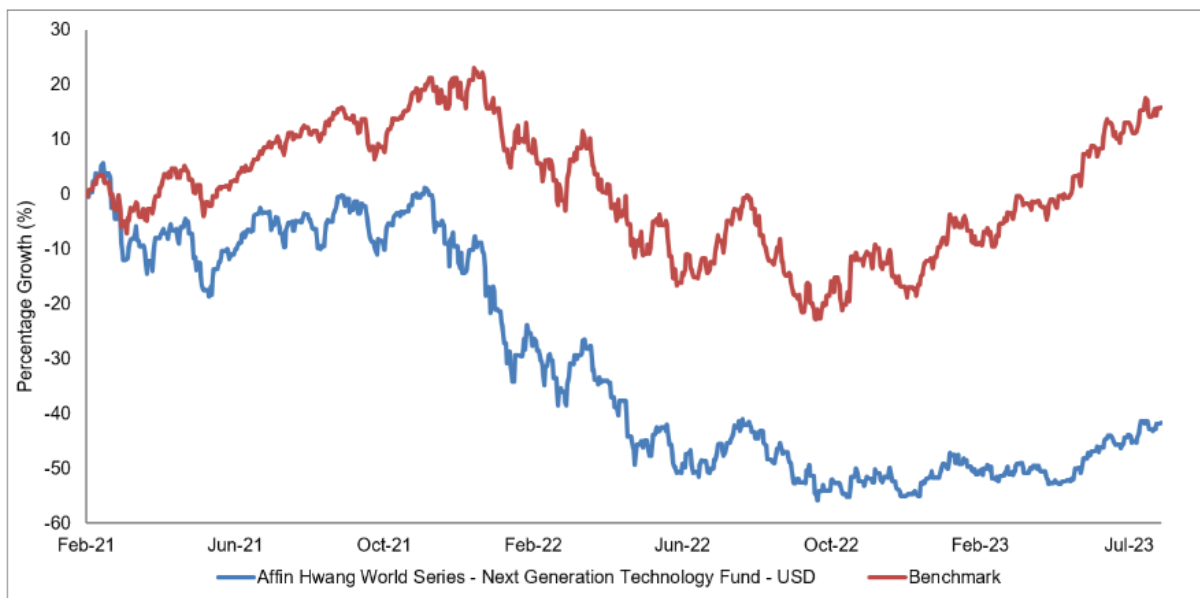
USD Class

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 (3/2/21 - 31/7/23)
Fund	23.09%	16.78%	6.54%	(41.68%)
Benchmark	17.08%	26.58%	21.74%	15.93%
Outperformance	6.01%	(9.80%)	(15.20%)	(57.61%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



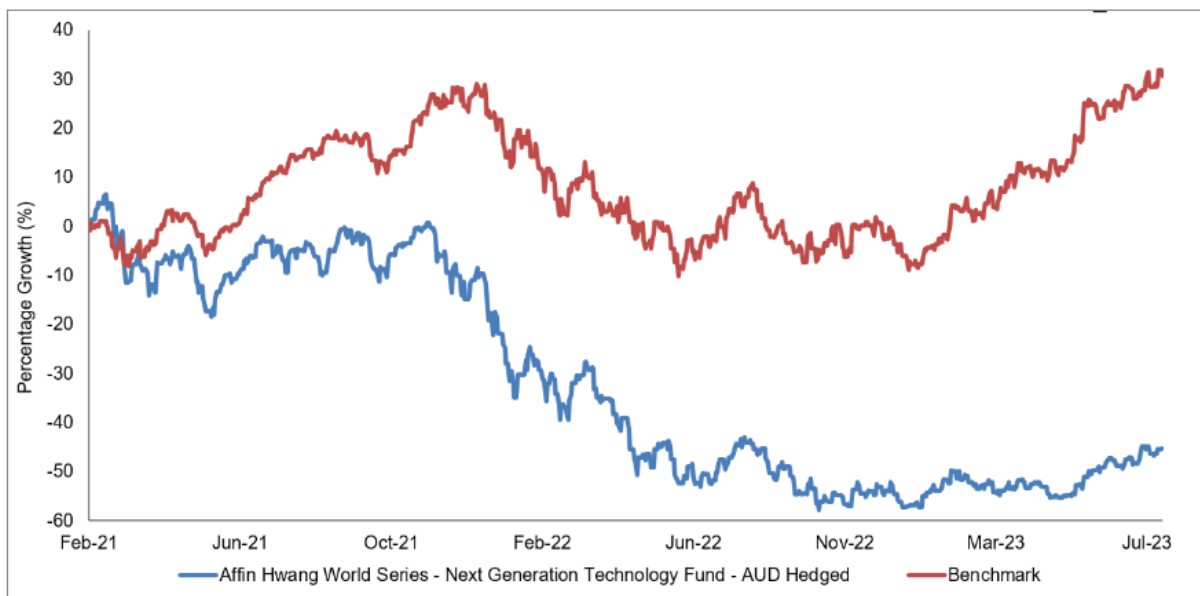
AUD Hedged Class

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 (3/2/21 - 31/7/23)
Fund	22.16%	14.98%	3.71%	(45.20%)
Benchmark	15.20%	32.68%	26.31%	30.76%
Outperformance	6.96%	(17.70%)	(22.60%)	(75.96%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



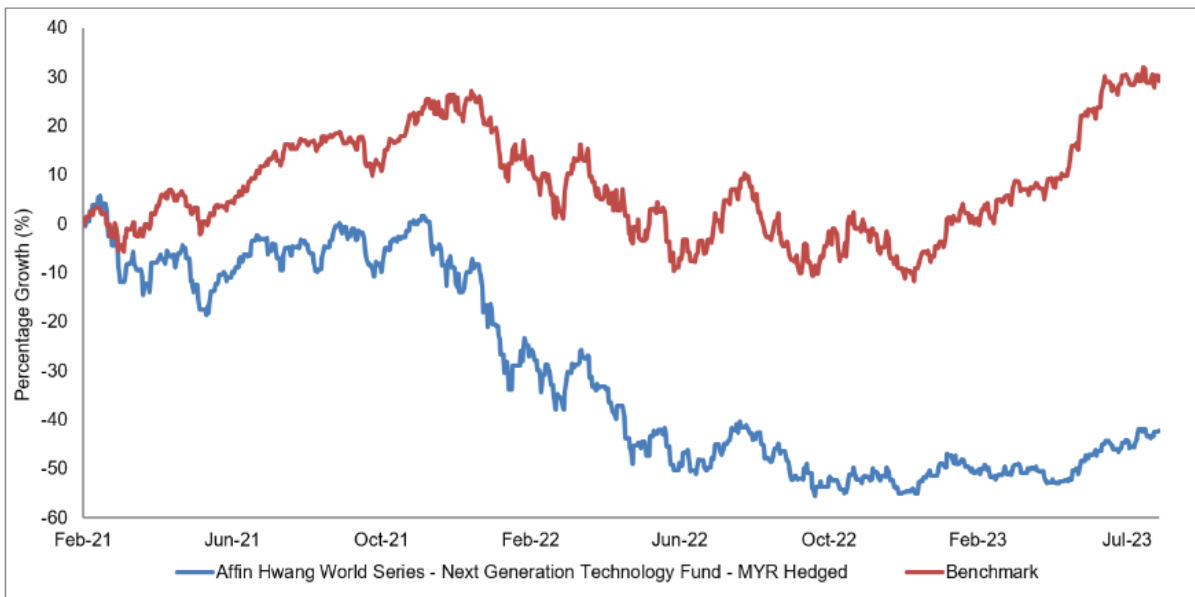
MYR Hedged Class

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 (3/2/21 - 31/7/23)
Fund	22.21%	15.05%	4.60%	(42.22%)
Benchmark	18.29%	33.86%	23.29%	29.20%
Outperformance	3.92%	(18.81%)	(18.69%)	(71.42%)

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark



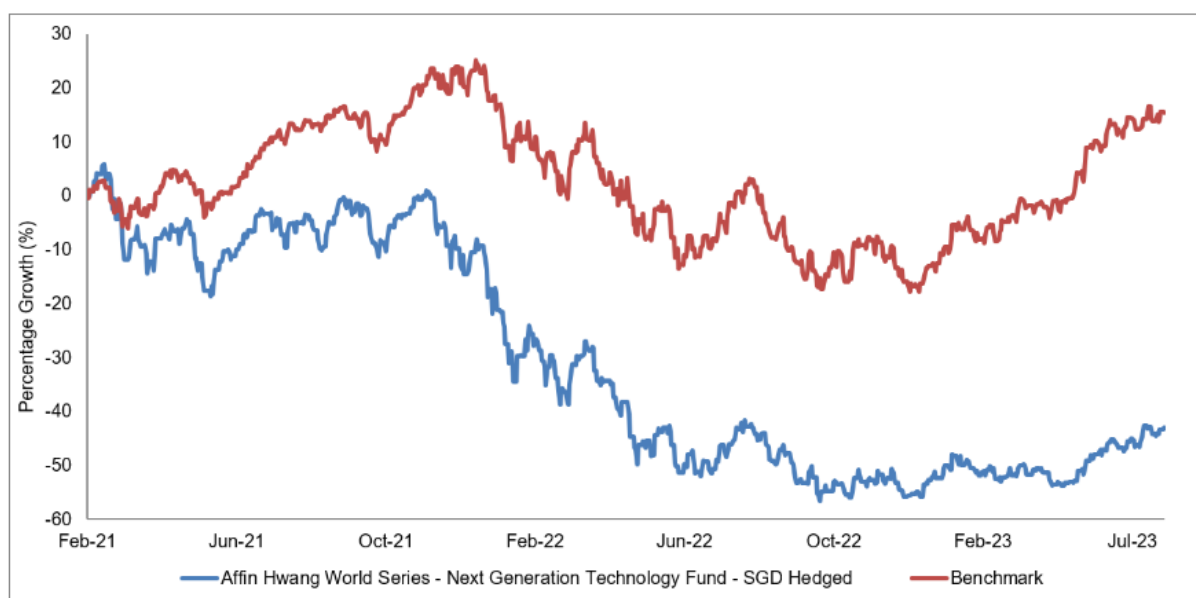
SGD Hedged Class

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 (3/2/21 - 31/7/23)
Fund	22.44%	15.73%	5.52%	(43.04%)
Benchmark	16.62%	27.95%	17.00%	15.47%
Outperformance	5.82%	(12.22%)	(11.48%)	(58.51%)

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 ACWI Information Technology 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	96.85
Derivative	0.30
Cash & money market	2.85
Total	100.00

Strategies Employed

The investment team believes that emerging technology is reshaping industries across the spectrum, as we anticipate investment in disruptive technologies to grow in the coming years. The Fund aims to capture the alpha opportunities created by industry-disrupting, emerging technologies such as artificial intelligence, cloud computing and the internet of things.

Today, disruption has gone well beyond just the technology sector, as technology companies seek to make an impact on any industry that is poised to benefit from operational innovation, such as AI in digital healthcare or autonomous vehicles in the automobile sector. As such, the Fund currently holds positions across more than 24 GICS industries, where innovative firms are reshaping the landscape of their respective fields.

The global technology sector is dominated by a small group of increasingly diversified mega-caps, but the investment team believes that there are increasing opportunities in the vast number of companies not captured in the large behemoths of the space. The winners of tomorrow are unlikely to be the winners of today. The Fund is currently investing in mainly small and mid-cap companies, which provide more pure-play exposure into the emerging technologies than the sector's mega-caps.

Market Review

Global equity markets gained in July with the MSCI ACWI returning +3.7%, largely driven by a drop in inflation in developed markets and resilient GDP data. In the US, the Fed lifted interest rates by an expected 25 basis points (bps). CPI fell to 3.0% while core inflation proved to be stickier with a muted drop from 5.3% to 4.8%.

Similarly in Europe, inflation broadly fell over the month, with persistent price elevation within core inflation. The European Central Bank (ECB) also raised interest rates by 25 bps, in line with earlier guidance. In the UK, wage data remained high while inflation fell more than expected to 7.9%. The IMF predicted 3.0% global economic growth for the year, slightly more than previously estimated. Britain is now expected to avoid recession, while Germany's economy is forecasted to shrink by 0.3%.

The US economy exceeded expectations, growing by 2.4% in Q2, following a 2.0% expansion in Q1.

China's GDP saw modest growth of 0.8% in Q2, disappointing economist predictions for a robust recovery. The property sector, experiencing a plunge in investment and stagnant house prices, was a significant drag on the economy. Evergrande, a property developer that defaulted on its debt, revealed that it lost \$81bn in 2021 and 2022. All sectors had positive returns in July led by Energy, Communication Services and Materials, while Healthcare, Utilities and Consumer Staples had the lowest returns.

From a regional perspective, Emerging Markets, Middle East and Asia ex-Japan had the highest returns while Europe ex-UK had the lowest returns.

Investment Outlook

Macroeconomic headwinds continue in 2023, leading enterprises to remain conservative with IT spending in preparation for a potential recession. Target Fund Manager believes that concerns about interest rates and inflation have largely been priced into tech equities. However, there remains uncertainty regarding the severity and duration of a potential economic slowdown.

Recent advancements in artificial intelligence have brought new momentum into the tech sector, offsetting some of the negative impact from macro weakness. While the initial beneficiaries have been mega-cap tech names building the physical infrastructure required to train generative AI models, they see a variety of opportunities in companies aligned with the theme going forward.

Target Fund Manager maintains their exposure to long-term secular themes within the portfolio, such as artificial intelligence, cloud computing, and electric vehicles, as well as more nascent themes such as metaverse, space, and quantum computing. While growth assets have been penalized due to rising rate concerns, the fundamentals of the companies within the portfolio remain compelling. The secular growth trends driving technology are multi-year transformations that we expect to persist, regardless of the macroeconomic environment or geopolitical risk.

AFFIN HWANG WORLD SERIES - NEXT GENERATION TECHNOLOGY 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
INVESTMENT INCOME/(LOSS)		
Interest income from financial assets at amortised cost	277	1,501
Net gain/(loss) on foreign currency exchange	16,723	(4,624,132)
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	3,584,819	(8,453,314)
Net gain/(loss) on financial assets at fair value through profit or loss	30,218,218	(131,307,995)
	<u>33,820,037</u>	<u>(144,383,940)</u>
EXPENSES		
Management fee	(1,801,546)	(2,998,753)
Trustee fee	(40,034)	(66,679)
Fund accounting fee	(5,753)	(4,380)
Auditors' remuneration	(1,347)	(1,436)
Tax agent's fee	(575)	(629)
Other expenses	(8,620)	(11,378)
	<u>(1,857,875)</u>	<u>(3,083,255)</u>
NET PROFIT/(LOSS) BEFORE TAXATION	31,962,162	(147,467,195)
Taxation	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDER	<u>31,962,162</u>	<u>(147,467,195)</u>
Increase/(decrease) of net asset attributable to unitholders is made up of the following:		
Realised amount	(25,444,898)	(18,963,956)
Unrealised amount	57,407,060	(128,503,239)
	<u>31,962,162</u>	<u>(147,467,195)</u>

AFFIN HWANG WORLD SERIES - NEXT GENERATION TECHNOLOGY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	<u>2023</u> USD	<u>2022</u> USD
ASSETS		
Cash and cash equivalents	4,390,389	5,519,134
Amount due from broker	-	1,600,000
Amount due from Manager		
- creation of units	-	13,039
- management fee rebate receivable	172,589	191,820
Financial assets at fair value through profit or loss	138,498,843	158,212,109
Forward foreign currency contracts at fair value through profit or loss	1,401,096	95,297
TOTAL ASSETS	<u>144,462,917</u>	<u>165,631,399</u>
LIABILITIES		
Forward foreign currency contracts at fair value through profit or loss	966,464	4,244,811
Amount due to Manager		
- management fee	212,097	233,063
- cancellation of units	275,328	335,503
Amount due to Trustee	4,713	5,175
Fund accounting fee	520	-
Auditors' remuneration	1,314	1,436
Tax agent's fee	575	595
Other payables and accruals	(1,249)	(1,530)
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	<u>1,459,762</u>	<u>4,819,053</u>
NET ASSET VALUE OF THE FUND	<u>143,003,155</u>	<u>160,812,346</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>143,003,155</u>	<u>160,812,346</u>

AFFIN HWANG WORLD SERIES - NEXT GENERATION TECHNOLOGY FUND

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

	<u>2023</u> USD	<u>2022</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Hedged-class	3,093,721	3,806,840
- MYR Hedged-class	127,873,250	142,136,203
- SGD Hedged-class	3,942,462	4,175,733
- USD class	8,093,722	10,693,570
	<u>143,003,155</u>	<u>160,812,346</u>
NUMBER OF UNITS IN CIRCULATION		
- AUD Hedged-class	16,850,000	20,642,000
- MYR Hedged-class	1,993,918,000	2,290,190,000
- SGD Hedged-class	18,408,000	21,339,000
- USD class	27,754,000	39,077,000
	<u>2,056,930,000</u>	<u>2,371,248,000</u>
NET ASSET VALUE PER UNIT (USD)		
- AUD Hedged-class	0.1836	0.1844
- MYR Hedged-class	0.0641	0.0621
- SGD Hedged-class	0.2142	0.1957
- USD class	0.2916	0.2737
	<u>0.2916</u>	<u>0.2737</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Hedged-class	AUD0.2740	AUD0.2642
- MYR Hedged-class	RM0.2889	RM0.2762
- SGD Hedged-class	SGD0.2848	SGD0.2699
- USD class	USD0.2916	USD0.2737
	<u>USD0.2916</u>	<u>USD0.2737</u>

AFFIN HWANG WORLD SERIES - NEXT GENERATION TECHNOLOGY FUND

UNAUDITED STATEMENT OF CHANGES IN ASSET ATTRIBUTABLE TO UNITHOLDERS 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
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	127,393,409	350,348,330
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	1,081,286	15,138,918
- AUD Hedged-class	34,606	206,974
- MYR Hedged-class	259,800	11,443,010
- SGD Hedged-class	52,856	60,527
- USD class	734,024	3,428,407
Cancellation of units	(17,433,702)	(57,207,707)
- AUD Hedged-class	(447,045)	(883,542)
- MYR Hedged-class	(13,452,254)	(49,369,211)
- SGD Hedged-class	(363,018)	(920,172)
- USD class	(3,171,385)	(6,034,782)
Increase/(decrease) in net assets attributable to unitholders during the financial period	31,962,162	(147,467,195)
- AUD Hedged-class	705,694	(3,759,170)
- MYR Hedged-class	28,549,388	(130,998,011)
- SGD Hedged-class	951,582	(3,841,843)
- USD class	1,755,498	(8,868,171)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>143,003,155</u>	<u>160,812,346</u>

AHAM Asset Management Berhad

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