Affin Hwang World Series - Dividend Value Fund

Quarterly Report
30 June 2021

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

AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

Quarterly Report and Financial Statements
As at 30 June 2021

Contents	Page

QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Dividend Value Fund
Fund Type	Growth
Fund Category	Feeder (Wholesale)
Investment Objective	The Fund seeks to achieve capital appreciation over medium to long-term period
Benchmark	Dow Jones Asia Select Dividend 30 Index
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income on a quarterly basis, after the end of its first financial year

FUND PERFORMANCE DATA

USD Class

Category	As at 30 Jun 2021	As at 31 Mar 2021
Total NAV (USD'million)	4.563	4.472
NAV per Unit (USD)	0.6088	0.6012
Unit in Circulation (million)	7.496	7.438

AUD Class

Category	As at 30 Jun 2021	As at 31 Mar 2021
Total NAV (AUD'million)	9.508	10.447
NAV per Unit (AUD)	0.6186	0.6017
Unit in Circulation (million)	15.371	17.363

MYR Class

Category	As at 30 Jun 2021	As at 31 Mar 2021
Total NAV (RM'million)	33.753	34.668
NAV per Unit (MYR)	0.6605	0.6515
Unit in Circulation (million)	51.099	53.215

SGD Class

Category	As at 30 Jun 2021	As at 31 Mar 2021
Total NAV (SGD'million)	4.294	4.831
NAV per Unit (SGD)	0.5963	0.5891
Unit in Circulation (million)	7.200	8.201

Fund Performance

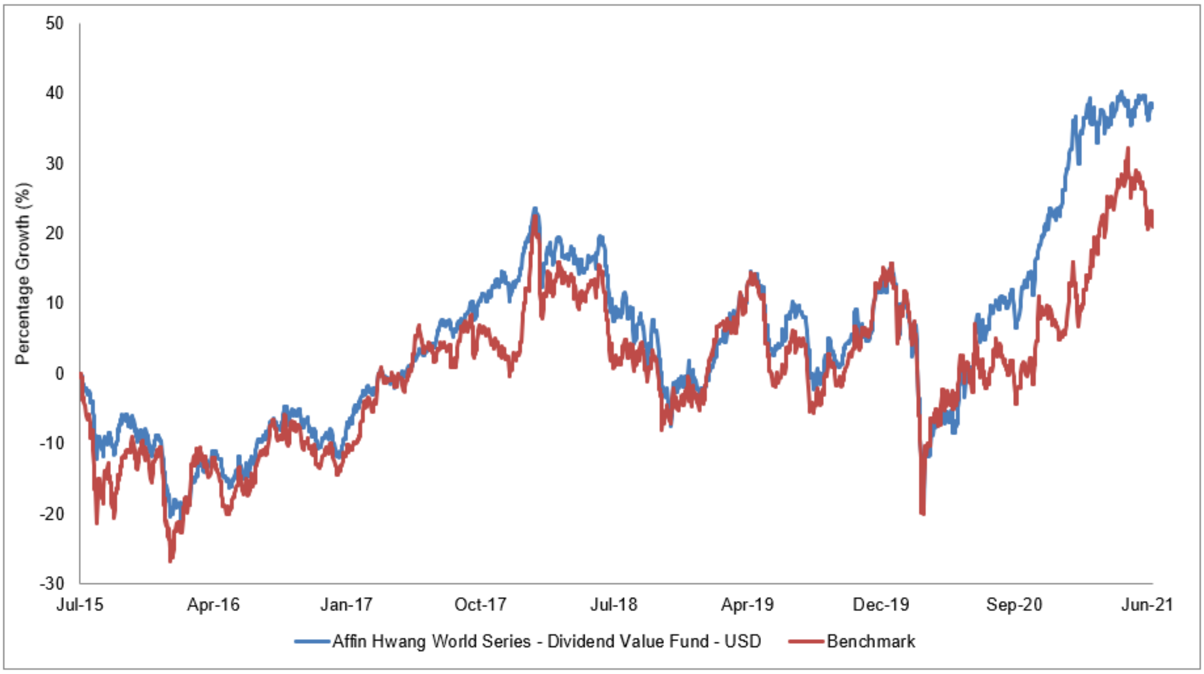
Performance as at 30 June 2021

USD Class

	3 Months (1/4/21 - 30/6/21)	6 Months (1/1/21 - 30/6/21)	1 Year (1/7/20 - 30/6/21)	3 Years (1/7/18 - 30/6/21)	5 Years (1/7/16 - 30/6/21)	Since Commencement (23/7/15 - 30/6/21)
Fund	**2.06%**	**9.31%**	**39.21%**	**26.87%**	**58.97%**	**38.10%**
Benchmark	**(2.92%)**	**13.96%**	**24.33%**	**15.97%**	**43.10%**	**21.08%**
Outperformance	**4.98%**	**(4.65%)**	**14.88%**	**10.90%**	**15.87%**	**17.02%**

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



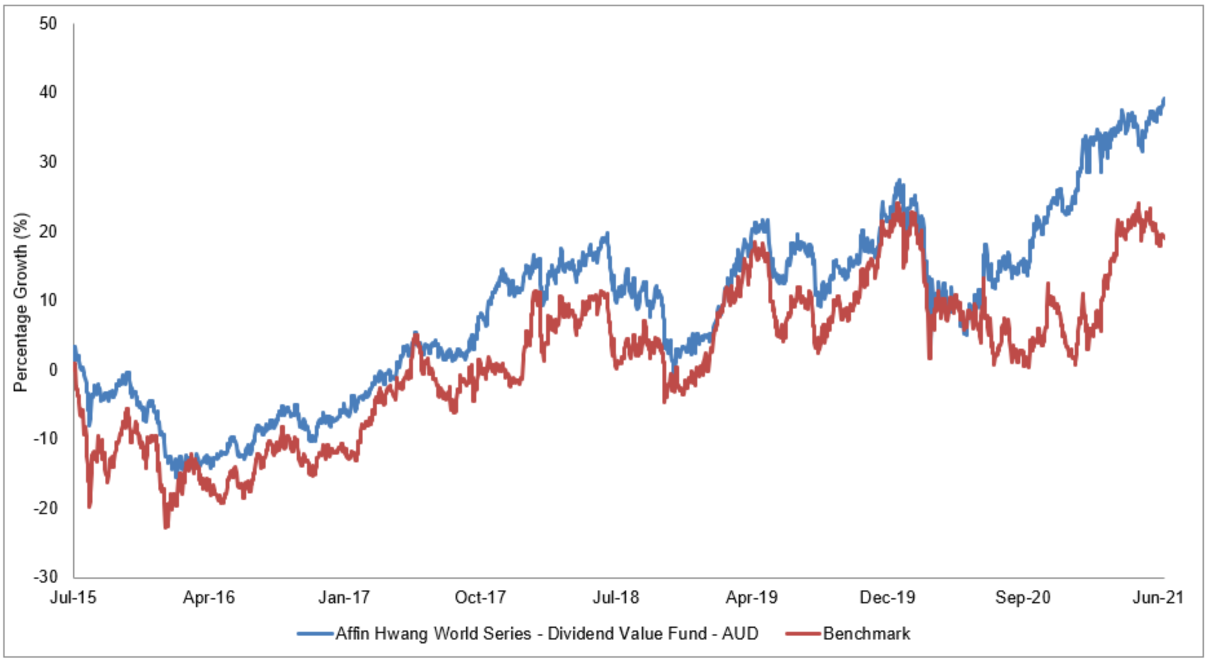
"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
Benchmark: Dow Jones Asia Select Dividend 30 Index

AUD Class

	3 Months (1/4/21 - 30/6/21)	6 Months (1/1/21 - 30/6/21)	1 Year (1/7/20 - 30/6/21)	3 Years (1/7/18 - 30/6/21)	5 Years (1/7/16 - 30/6/21)	Since Commencement (23/7/15 - 30/6/21)
Fund	**3.63%**	**12.21%**	**26.94%**	**24.87%**	**57.40%**	**39.22%**
Benchmark	**(1.36%)**	**16.96%**	**14.26%**	**14.38%**	**42.15%**	**19.06%**
Outperformance	**4.99%**	**(4.75%)**	**12.68%**	**10.49%**	**15.25%**	**20.16%**

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



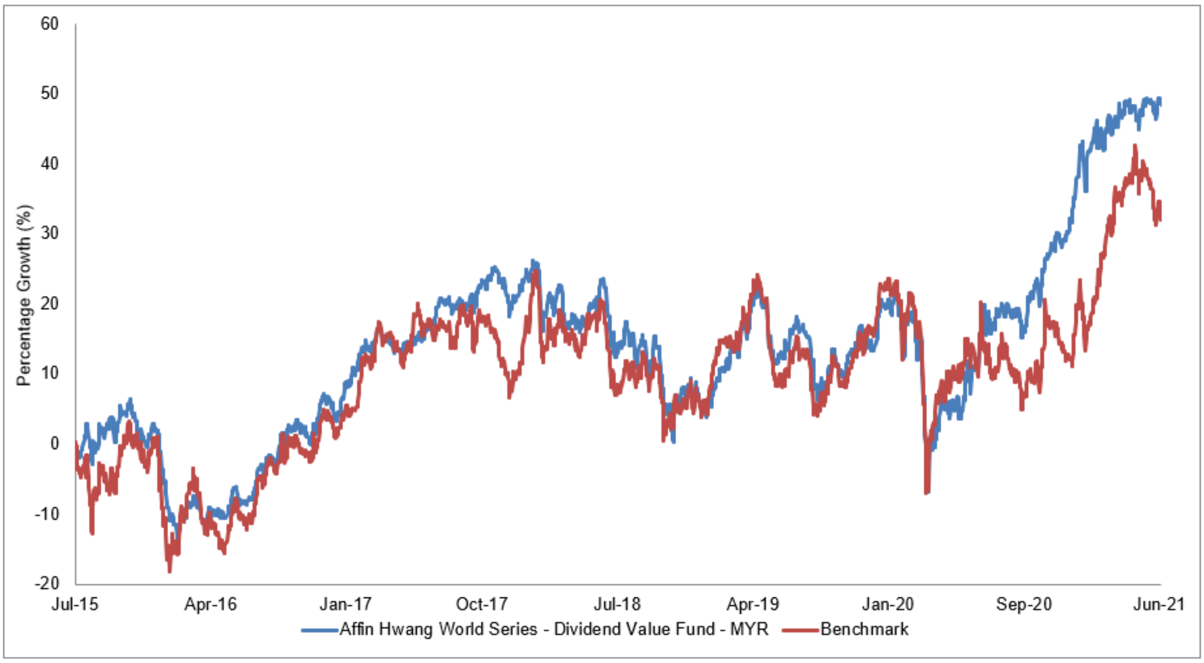
"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
Benchmark: Dow Jones Asia Select Dividend 30 Index

MYR Class

	3 Months (1/4/21 - 30/6/21)	6 Months (1/1/21 - 30/6/21)	1 Year (1/7/20 - 30/6/21)	3 Years (1/7/18 - 30/6/21)	5 Years (1/7/16 - 30/6/21)	Since Commencement (23/7/15 - 30/6/21)
Fund	**2.17%**	**12.82%**	**34.77%**	**30.33%**	**61.90%**	**48.44%**
Benchmark	**(2.84%)**	**17.62%**	**20.41%**	**19.37%**	**48.74%**	**31.91%**
Outperformance	**5.01%**	**(4.80%)**	**14.36%**	**10.96%**	**13.16%**	**16.53%**

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



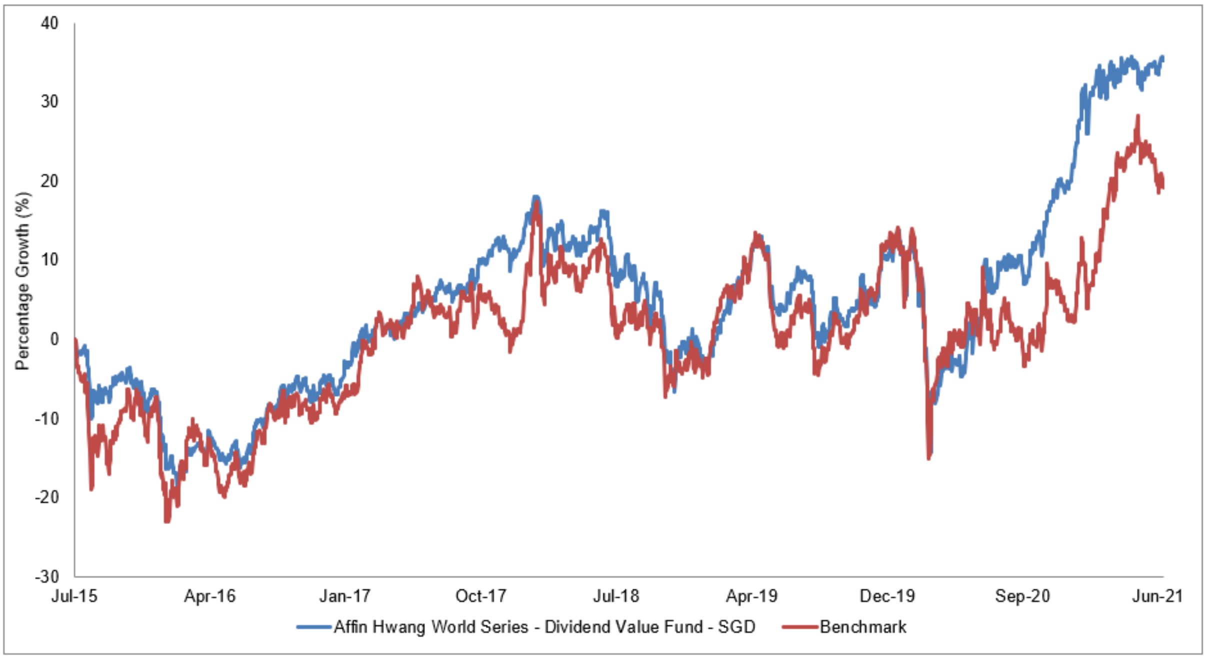
"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
Benchmark: Dow Jones Asia Select Dividend 30 Index

SGD Class

	3 Months (1/4/21 - 30/6/21)	6 Months (1/1/21 - 30/6/21)	1 Year (1/7/20 - 30/6/21)	3 Years (1/7/18 - 30/6/21)	5 Years (1/7/16 - 30/6/21)	Since Commencement (23/7/15 - 30/6/21)
Fund	**2.03%**	**11.09%**	**33.87%**	**25.04%**	**58.14%**	**35.32%**
Benchmark	**(2.80%)**	**16.06%**	**20.01%**	**14.50%**	**42.73%**	**19.25%**
Outperformance	**4.83%**	**(4.97%)**	**13.86%**	**10.54%**	**15.41%**	**16.07%**

Source of Benchmark: Bloomberg

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: Dow Jones Asia Select Dividend 30 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:

	30 June 2021 (%)
Unit Trust	93.41
Cash & money market	6.59
Total	**100.00**

Strategies Employed

The Fund remains invested with 70% of its NAV into the Target Fund and a maximum of 30% of its NAV into money market instruments, fixed deposits and/or liquid assets. Invested level was at around 95% as at end December 2020.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and "stay at home" trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. The S&P 500 index rose 4.4% higher as the latest US labour data showed signs of a rebound. In Asia, the MSCI Asia ex-Japan index fell 2.5% as increased regulatory scrutiny prompted a selloff in Chinese technology stocks. The Hong Kong Hang Seng index dropped 1.8% in March. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Earnings season continues with technology and banking stocks leading way in terms of results. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US$1.2 trillion infrastructure bill in the US Congress.

US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven ("G7") nations and North Atlantic Treaty Organisation ("NATO") held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China.

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

The commodity market saw multiple consecutive periods of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets in January. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 14.15% in the quarter. Overall, the commodities saw strong return in 1H2021, buoyed by vaccination programs and normalization of the economy.

In February and March, the local equity market's performance was muted relative to regional peers, gaining by 0.8% and 1.0% in the respective months. February was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. Meanwhile, Finance Minister Tengku Zafrul clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government is mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The Malaysian bond market saw an unwinding of “rate cut” bets at the end of January following BNM’s announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient that month.

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, we were seeing some demand returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan (“NRP”), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold.

To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed’s meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia’s GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown.

With that, fiscal deficit is expected to breach above the government’s target of 6.0%. With the newly unveiled PEMULIH stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia’s sovereign rating.

On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate (“OPR”) to cushion the economic impact of COVID-19. Malaysia’s inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers’ confidence return. Recovery plays will be the most obvious theme for the year of improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020’s miseries. We have already seen the rotation from growth to value take place in the start of 2021.

Earnings momentum will continue in 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has creeped up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Back home, economic recovery continues to be delayed by Covid-19 as cases surge throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand.

ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration’s foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Financial period ended 30.6.2021 USD	Financial period ended 30.6.2020 USD
INVESTMENT INCOME		
Dividend income	189,788	417,244
Interest income from financial assets at amortised cost	204	369
Net (loss)/gain on foreign currency exchange	(2,717)	38
Net gain on financial assets at fair value through profit or loss	426,145	2,753,684
	613,420	3,171,335
EXPENSES		
Management fee	(97,287)	(120,439)
Trustee fee	(2,359)	(2,971)
Fund accounting fee	(1,696)	-
Auditors' remuneration	(481)	(458)
Tax agent's fee	-	(200)
Other expenses	(2,030)	(2,543)
	(103,853)	(126,611)
NET PROFIT BEFORE FINANCE COST AND TAXATION	509,567	3,044,724
FINANCE COST		
Distributions	(184,761)	(315,084)
NET PROFIT BEFORE TAXATION	324,806	2,729,640
Taxation	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	324,806	2,729,640
Increase of net asset attributable to unitholders is made up of the following:		
Realised amount	254,776	(767,163)
Unrealised amount	70,030	3,496,803
	324,806	2,729,640

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	2021 USD	2020 USD
ASSETS		
Cash and cash equivalents	1,451,166	1,942,011
Amount due from Manager		
- creation of units	152,226	-
- management fee rebate receivable	22,289	29,843
Financial assets at fair value through profit or loss	21,513,112	28,933,454
TOTAL ASSETS	23,138,793	30,905,308
LIABILITIES		
Amount due to brokers	-	200,000
Amount due to Manager		
- management fee	31,193	41,469
- cancellation of units	68,985	102,269
Amount due to Trustee	756	1,005
Auditors' remuneration	607	694
Tax agent's fee	2,108	2,389
Other payable and accruals	3,379	2,854
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)	107,028	350,680
NET ASSET VALUE OF THE FUND	23,031,765	30,554,628
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	23,031,765	30,554,628

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (CONTINUED)

	2021 USD	2020 USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- AUD Class	7,136,121	8,225,802
- RM Class	8,137,199	11,242,588
- SGD Class	3,195,187	4,711,217
- USD Class	4,563,258	6,375,021
	23,031,765	30,554,628
NUMBER OF UNITS IN CIRCULATION		
- AUD Class	15,371,000	24,033,000
- RM Class	51,099,000	95,873,000
- SGD Class	7,200,000	14,391,000
- USD Class	7,496,000	14,202,000
	81,166,000	148,499,000
NET ASSET VALUE PER UNIT (USD)		
- AUD Class	0.4643	0.3423
- RM Class	0.1592	0.1173
- SGD Class	0.4438	0.3274
- USD Class	0.6088	0.4489
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- AUD Class	AUD0.6186	AUD0.5001
- RM Class	RM0.6605	RM0.5024
- SGD Class	SGD0.5963	SGD0.4574
- USD Class	USD0.6088	USD0.4489

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Financial period ended 30.6.2021 USD	Financial period ended 30.6.2020 USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE PERIOD	24,395,323	28,778,562
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	1,068,890	230,958
- AUD Class	183,524	211,301
- RM Class	564,531	19,657
- SGD Class	110,511	-
- USD Class	210,324	-
Creation of units arising from distributions	182,821	310,365
- AUD Class	59,208	80,281
- RM Class	61,285	109,118
- SGD Class	27,178	50,576
- USD Class	35,150	70,390
Cancellation of units	(2,940,075)	(1,494,897)
- AUD Class	(1,174,256)	(358,804)
- RM Class	(969,188)	(754,131)
- SGD Class	(585,911)	(172,443)
- USD Class	(210,720)	(209,519)
Net increase in net assets attributable to unitholders during the financial period	324,806	2,729,640
- AUD Class	106,184	725,104
- RM Class	112,797	1,024,748
- SGD Class	48,975	414,618
- USD Class	56,850	565,170
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	23,031,765	30,554,628

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)