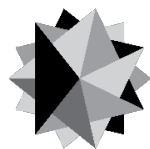


Affin Hwang World Series - Global Equity Fund

Quarterly Report
31 March 2022

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 – GLOBAL EQUITY FUND

Quarterly Report and Financial Statements As at 31 March 2022

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QUARTERLY REPORT

FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Equity Fund
Fund Type	Growth
Fund Category	Equity feeder (wholesale)
Investment Objective	The Fund aims to achieve medium to long-term capital appreciation
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever appropriate.
Benchmark	MSCI AC World Index

FUND PERFORMANCE DATA

MYR Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	224.958	286.614
NAV per Unit (RM)	0.9818	1.0583
Unit in Circulation (million)	229.121	270.826

SGD Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	4.987	5.421
NAV per Unit (SGD)	0.9414	1.0216
Unit in Circulation (million)	5.297	5.306

USD Class

Category	As at 31 Mar 2022	As at 31 Dec 2021
Total NAV (million)	6.054	6.534
NAV per Unit (USD)	0.9838	1.0700
Unit in Circulation (million)	6.154	6.107

Fund Performance

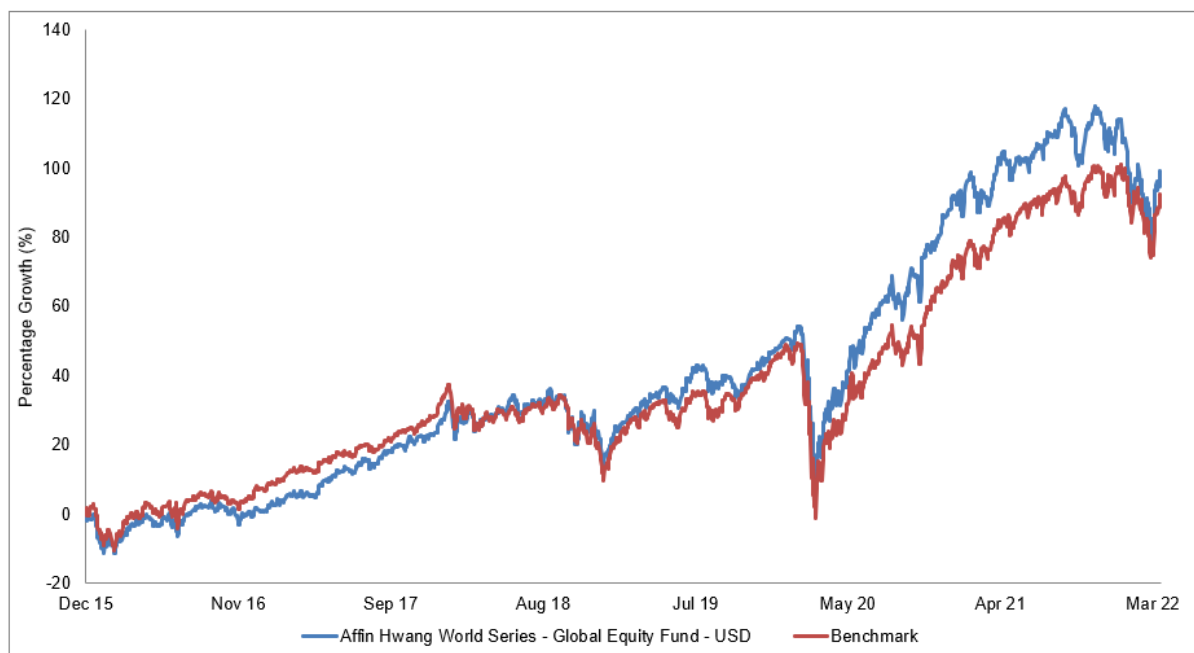
Performance as at 31 March 2022

USD Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (14/12/15 - 31/3/22)
Fund	(8.06%)	(3.79%)	2.92%	48.43%	85.45%	96.76%
Benchmark	(5.36%)	0.96%	7.28%	47.17%	67.34%	89.39%
Outperformance	(2.70%)	(4.75%)	(4.36%)	1.26%	18.11%	7.37%

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark



MYR Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (14/12/15 - 31/3/22)
Fund	(7.23%)	(3.41%)	4.39%	54.08%	77.60%	96.36%
Benchmark	(4.14%)	1.56%	8.97%	51.86%	59.25%	83.85%
Outperformance	(3.09%)	(4.97%)	(4.58%)	2.22%	18.35%	12.51%

Source of Benchmark: Bloomberg

Movement of the Fund versus the Benchmark

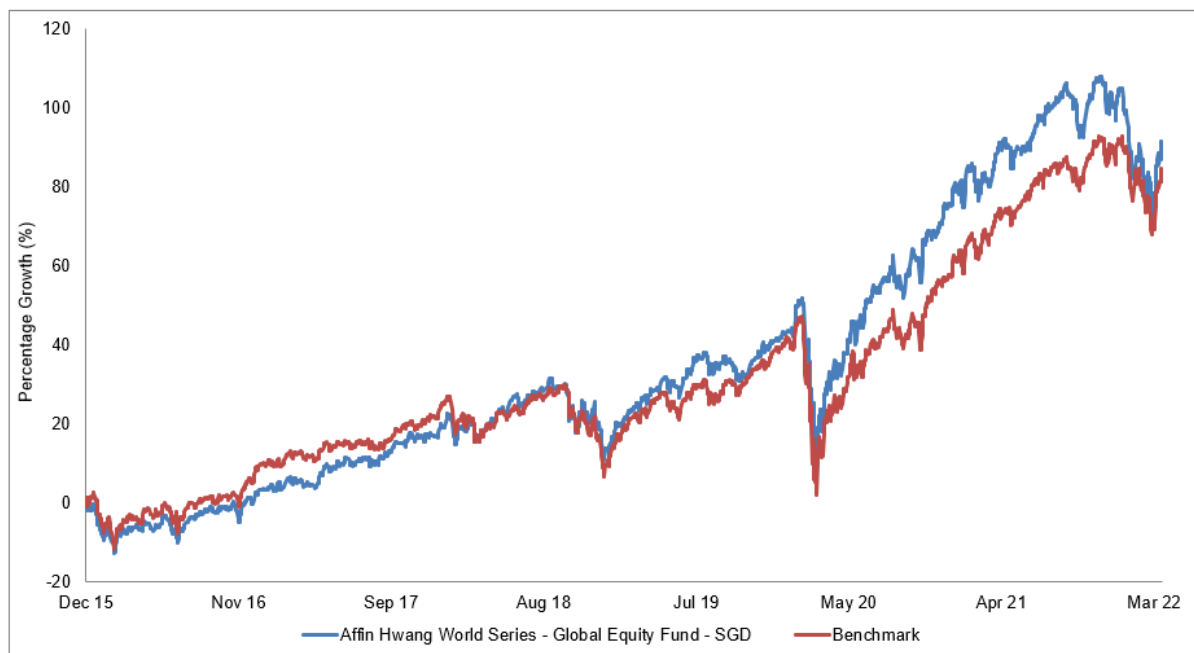


SGD Class

	3 Months (1/1/22 - 31/3/22)	6 Months (1/10/21 - 31/3/22)	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (14/12/15 - 31/3/22)
Fund	(7.85%)	(4.31%)	3.64%	48.07%	79.28%	88.28%
Benchmark	(4.88%)	0.61%	8.11%	47.08%	62.28%	81.50%
Outperformance	(2.97%)	(4.92%)	(4.47%)	0.99%	17.00%	6.78%

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: MSCI AC 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 March 2022
	(%)
Unit Trust	97.57
Cash & money market	2.43
Total	100.00

Strategies Employed

The team believes that companies with superior returns on capital over the long term will deliver better performance. The stocks that make it into a client's portfolio are what the team calls 'Future Quality'. Future Quality means a company which will attain and sustain high returns on investment. The team assesses companies to understand the quality of management, the quality of the company franchise, the quality of the balance sheet and the size of the valuation opportunity. The common feature of all Future Quality companies is that the growth in future cash flow, its sustainability and the level of returns to investors is not reflected in the share price today.

The Nikko Global Equity team are long-term investors and all of the companies in the portfolio are subject to detailed bottom-up analysis – incorporating full 5 year forecasts of their cash flows. The team typically holds between 40 and 50 stocks in the portfolio.

Market Review

March was a quieter month for equity markets, despite the ongoing war in Ukraine and the intensifying economic sanctions imposed on Russia as a result. European economic necessity means that Russian energy continues to flow freely into the region but potential future sanctions on these supplies (allied to robust demand) have given extra impetus to inflationary pressures already being felt across commodity markets after years of underinvestment in new capacity by the industry.

Energy (and other commodity-related sectors) have continued to outperform the broader market this month, but the extent of the outperformance was much more limited than in January and February. Over the course of the month, investors have become increasingly concerned over the impact that rising commodity prices will have on consumer spending and economic activity in general. .

Furthermore, China remains the biggest global buyer of many commodities and the country is currently confronting a new wave of COVID-19 infections. With questions mounting over the efficacy of the country's domestically developed vaccines (relative to those developed by Western drugmakers like Pfizer and Moderna), rolling lockdowns have once again been introduced in major cities including Shanghai, to contain the spread of the virus.

Despite the softening economic outlook in the US and China, policy committee members at the Federal Reserve (Fed) continues to strike a relatively hawkish tone in March – with several talking of the potential necessity for at least one 50 basis point hike in interest rates, in response to rising inflation. Rising inflation expectations have fed through into rising bond yields and US mortgage rates have climbed significantly in recent weeks as a result, from a little over 3% to almost 5%, adding substantially to monthly mortgage bills. Against this backdrop, it is not surprising that measures of US consumer confidence have been falling. For instance, March's reading of 59.4 from the University of Michigan was the lowest level seen since 2011 and not much above the levels seen in the midst of the US housing market crisis in 2008.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalization of growth rates and monetary policy tightening. We expect to see a lot of crosswinds and periods of transition especially with regards to policy. Market environment is challenging given rising rates, slowing growth and uncertain earnings.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs.

Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this seems much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

In terms of sector opportunities, we see banks as positive, benefit from a rising interest rate cycle as well as improvement in asset quality. Valuations of the sector is also attractive with banking stocks trading at a discount to its book value. Though seeing a lot of pressure now due to ESG headwinds especially pertaining to the welfare of foreign workers, technology and exporters are another key segment that could see potential upside underpinned by strong earnings visibility driven by secular growth trends such as 5G, electric vehicles (EV) and solar energy.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

AFFIN HWANG WORLD SERIES – GLOBAL EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Financial period ended <u>31.3.2022</u> USD	Financial period ended <u>31.3.2021</u> USD
INVESTMENT (LOSS)/INCOME		
Interest income from financial assets at amortised cost	991	839
Net gain/(loss) on foreign currency exchange	38,001	(7,610)
Net (loss)/gain on financial assets at fair value through profit or loss	<u>(3,076,307)</u>	<u>8,224,580</u>
	<u>(3,037,315)</u>	<u>8,217,809</u>
EXPENSES		
Management fee	(657,910)	(482,858)
Trustee fee	(21,947)	(16,117)
Fund accounting fee	(2,391)	(5,311)
Auditors' remuneration	(955)	(961)
Tax agent's fee	(418)	-
Other expenses	(1,783)	(2,237)
	<u>(685,404)</u>	<u>(507,484)</u>
NET (LOSS)/PROFIT BEFORE TAXATION	<u>(3,722,719)</u>	<u>7,710,325</u>
Taxation	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u><u>(3,722,719)</u></u>	<u><u>7,710,325</u></u>
(Decrease)/increase in net assets attributable to unitholders is made up of the following:		
Realised amount	10,733,553	119,493
Unrealised amount	<u>(14,456,272)</u>	<u>7,590,832</u>
	<u><u>(3,722,719)</u></u>	<u><u>7,710,325</u></u>

AFFIN HWANG WORLD SERIES – GLOBAL EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	<u>2022</u> USD	<u>2021</u> USD
ASSETS		
Cash and cash equivalents	1,549,711	1,340,332
Amount due from Manager		
- creation of units	75,075	907,126
- management fee rebate receivable	44,698	63,887
Financial assets at fair value through profit or loss	61,729,460	61,831,100
TOTAL ASSETS	<u>63,398,944</u>	<u>64,142,445</u>
LIABILITIES		
Amount due to broker	-	820,000
Amount due to Manager		
- management fee	96,932	94,894
- cancellation of units	25,612	-
Amount due to Trustee	3,231	3,163
Auditors' remuneration	119	961
Tax agent's fee	1,623	2,062
Other payables and accruals	3,162	2,976
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)	<u>130,679</u>	<u>924,056</u>
NET ASSET VALUE OF THE FUND	<u>63,268,265</u>	<u>63,218,389</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>63,268,265</u>	<u>63,218,389</u>

AFFIN HWANG WORLD SERIES – GLOBAL EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONTINUED)

	<u>2022</u> USD	<u>2021</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- MYR Class	53,529,682	36,567,282
- SGD Class	3,684,310	2,843,329
- USD Class	6,054,273	23,807,778
	<u>63,268,265</u>	<u>63,218,389</u>
NUMBER OF UNITS IN CIRCULATION		
- MYR Class	229,121,000	161,078,000
- SGD Class	5,297,000	4,207,000
- USD Class	6,154,000	24,905,000
	<u>240,572,000</u>	<u>190,190,000</u>
NET ASSET VALUE PER UNIT (USD)		
- MYR Class	0.2336	0.2270
- SGD Class	0.6955	0.6759
- USD Class	0.9838	0.9559
	<u>0.9838</u>	<u>0.9559</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- MYR Class	RM0.9818	RM0.9405
- SGD Class	SGD0.9414	SGD0.9083
- USD Class	USD0.9838	USD0.9559
	<u>USD0.9838</u>	<u>USD0.9559</u>

AFFIN HWANG WORLD SERIES – GLOBAL EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Financial period ended <u>31.3.2022</u> USD	Financial period ended <u>31.3.2021</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	73,167,315	42,849,446
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	5,378,460	17,435,101
- MYR Class	4,764,521	15,155,086
- SGD Class	324,347	1,098,690
- USD Class	289,592	1,181,325
Cancellation of units	(11,554,791)	(4,776,483)
- MYR Class	(10,935,711)	(3,737,806)
- SGD Class	(437,784)	(791,881)
- USD Class	(181,296)	(246,796)
Net (decrease)/increase in net assets attributable to unitholders during the financial period	(3,722,719)	7,710,325
- MYR Class	(3,342,463)	3,883,364
- SGD Class	(143,376)	383,227
- USD Class	(236,880)	3,443,734
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>63,268,265</u>	<u>63,218,389</u>

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