

# Affin Hwang World Series - Global Balanced Fund

Interim Report  
30 November 2020

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
TMF Trustees Malaysia Berhad (610812-W)

# AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

## Interim Report and Unaudited Financial Statements For The Financial Period Ended 30 November 2020

Contents	Page
FUND INFORMATION .....	III
FUND PERFORMANCE DATA.....	V
MANAGER'S REPORT .....	VII
TRUSTEE'S REPORT .....	XVIII
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

## FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Balanced Fund
Fund Type	Growth
Fund Category	Balanced (Fund-of Funds)
Investment Objective	The Fund aims to provide investors with capital growth opportunities through a portfolio of collective investment schemes
Benchmark	50% MSCI All Country World Index + 50% Barclays Global Aggregate Index
Distribution Policy	The Fund is not expected to make any income distribution. However, incidental income distribution may be declared whenever appropriate.

### BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 30 NOVEMBER 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	3	28
10,001 to 50,000	6	140
50,001 to 500,000	3	358
500,001 and above	4	10,765
<b>Total</b>	<b>16</b>	<b>11,291</b>

\* Note: Excluding Manager's stock

### BREAKDOWN OF UNITHOLDERS BY SIZE AUD HEDGED-CLASS AS AT 30 NOVEMBER 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	1	9
10,001 to 50,000	6	116
50,001 to 500,000	7	1,360
500,001 and above	6	36,955
<b>Total</b>	<b>20</b>	<b>38,440</b>

\* Note: Excluding Manager's stock

**BREAKDOWN OF UNITHOLDERS BY SIZE MYR HEDGED-CLASS AS AT 30 NOVEMBER 2020**

<b>Size of holdings (units)</b>	<b>No. of unitholders</b>	<b>No. of units held * ('000)</b>
5,000 and below	22	56
5,001 to 10,000	14	109
10,001 to 50,000	50	1,190
50,001 to 500,000	28	4,830
500,001 and above	12	418,175
<b>Total</b>	<b>126</b>	<b>424,360</b>

*\* Note: Excluding Manager's stock*

**BREAKDOWN OF UNITHOLDERS BY SIZE SGD HEDGED-CLASS AS AT 30 NOVEMBER 2020**

<b>Size of holdings (units)</b>	<b>No. of unitholders</b>	<b>No. of units held * ('000)</b>
5,000 and below	0	0
5,001 to 10,000	1	9
10,001 to 50,000	14	387
50,001 to 500,000	8	1,291
500,001 and above	5	15,926
<b>Total</b>	<b>28</b>	<b>17,613</b>

*\* Note: Excluding Manager's stock*

**BREAKDOWN OF UNITHOLDERS BY SIZE GBP HEDGED-CLASS AS AT 30 NOVEMBER 2020**

<b>Size of holdings (units)</b>	<b>No. of unitholders</b>	<b>No. of units held * ('000)</b>
5,000 and below	1	0
5,001 to 10,000	0	0
10,001 to 50,000	2	45
50,001 to 500,000	1	212
500,001 and above	3	15,074
<b>Total</b>	<b>7</b>	<b>15,331</b>

*\* Note: Excluding Manager's stock*

## BREAKDOWN OF UNITHOLDERS BY SIZE EUR HEDGED-CLASS AS AT 30 NOVEMBER 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	1	38
50,001 to 500,000	1	199
500,001 and above	1	1,024
<b>Total</b>	<b>3</b>	<b>1,261</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As At 30 Nov 2020 (%)	As At 30 Nov 2019 (%)	As At 30 Nov 2018 (%)
Portfolio composition			
Collective Investment Scheme – foreign	66.46	61.45	72.84
Exchange-traded-fund – local	1.28	1.27	0.75
Exchanged-traded-fund – foreign	28.53	35.56	24.42
Cash & cash equivalent	3.73	1.72	1.99
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## FUND PERFORMANCE DATA (CONTINUED)

Category	As At 30 Nov 2020 (%)						As At 30 Nov 2019 (%)						As At 30 Nov 2018 (%)					
Currency class	<u>USD</u> <u>Class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>GBP</u> <u>Hedged-</u> <u>class</u>	<u>EUR</u> <u>Hedged-</u> <u>class</u>	<u>USD</u> <u>Class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>GBP</u> <u>Hedged-</u> <u>class</u>	<u>EUR</u> <u>Hedged-</u> <u>class</u>	<u>USD</u> <u>Class</u>	<u>AUD</u> <u>Hedged-</u> <u>class</u>	<u>MYR</u> <u>Hedged-</u> <u>class</u>	<u>SGD</u> <u>Hedged-</u> <u>class</u>	<u>GBP</u> <u>Hedged-</u> <u>class</u>	<u>EUR</u> <u>Hedged-</u> <u>class</u>
Total NAV (RM' million)	7.184	23.390	283.091	10.909	8.614	0.685	12.702	30.771	443.653	14.198	11.030	0.488	18.715	16.498	345.093	11.134	8.762	0.095
NAV per unit (RM)	0.6360	0.6084	0.6671	0.6192	0.5617	0.5416	0.5921	0.5788	0.6200	0.5824	0.5361	0.5174	0.5317	0.5467	0.5743	0.5534	0.5190	0.4768
Unit in Circulation (million)	11.295	38.444	424.365	17.616	15.334	1.264	21.452	53.165	715.590	24.379	20.575	0.943	35.201	30.181	600.848	20.121	16.882	0.199
Highest NAV	0.6388	0.6110	0.6700	0.6220	0.5642	0.5441	0.5928	0.5795	0.6210	0.5831	0.5367	0.5182	0.5587	0.5478	0.5757	0.5546	0.5204	0.5053
Lowest NAV	0.5685	0.5452	0.5938	0.5552	0.5042	0.4873	0.5485	0.5389	0.5729	0.5405	0.5005	0.4849	0.5254	0.5213	0.5450	0.5281	0.4972	0.4713
Return of the Fund (%) <sup>iii</sup>	12.25	11.92	12.70	11.91	11.76	11.51	8.14	7.40	8.31	7.75	7.11	6.70	-3.59	-3.84	-3.38	-4.16	-4.59	-4.68
- Capital Return (%) <sup>i</sup>	12.25	11.92	12.70	11.91	11.76	11.51	7.95	7.40	8.22	7.75	7.11	6.70	-3.76	-3.84	-3.54	-4.33	-4.77	-4.68
- Income Return (%) <sup>ii</sup>	Nil	Nil	Nil	Nil	Nil	Nil	0.17	Nil	0.08	Nil	Nil	Nil	0.18	Nil	0.17	0.18	0.20	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	0.10	Nil	0.05	Nil	Nil	Nil	0.10	Nil	0.10	0.10	0.10	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	0.10	Nil	0.05	Nil	Nil	Nil	0.10	Nil	0.10	0.10	0.10	Nil
Management Expenses Ratio (%) <sup>1</sup>				0.70					0.69						0.69			
Portfolio Turnover Ratio (times) <sup>2</sup>				0.39					0.22						0.23			

<sup>1</sup>The MER of the Fund was slightly higher due to lower average net asset value of the Fund during the period under review.

<sup>2</sup>The PTR of the Fund was higher due to more trading activities during the period under review.

**Basis of calculation and assumption made in calculating the returns:-**

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	=	NAV per Unit end / NAV per Unit begin – 1
Income return	=	Income distribution per Unit / NAV per Unit ex-date
Total return	=	(1+Capital return) x (1+Income return) – 1

**MANAGER'S REPORT****Income Distribution / Unit Split**

No income distribution or unit split were declared for the financial period ended 30 November 2020.

**Performance Review****USD Class**

For the period under review from 1 June 2020 to 30 November 2020, the Fund has registered a return of 12.25% as compared to the benchmark return of 13.37%. The Fund thus underperformed the benchmark by 1.12%. The Net Asset Value (NAV) per unit of the Fund as at 30 November 2020 was USD0.6360 compared to its NAV per unit as at 31 May 2020 was USD0.5666.

**AUD Hedged-Class**

For the period under review from 1 June 2020 to 30 November 2020, the Fund has registered a return of 11.92% as compared to the benchmark return of 13.37%. The Fund thus underperformed the benchmark by 1.45%. The Net Asset Value (NAV) per unit of the Fund as at 30 November 2020 was AUD0.6084 compared to its NAV per unit as at 31 May 2020 was AUD0.5436.

**MYR Hedged-Class**

For the period under review from 1 June 2020 to 30 November 2020, the Fund has registered a return of 12.70% as compared to the benchmark return of 13.37%. The Fund thus underperformed the benchmark by 0.67%. The Net Asset Value (NAV) per unit of the Fund as at 30 November 2020 was MYR0.6671 compared to its NAV per unit as at 31 May 2020 was MYR0.5919.

**SGD Hedged-Class**

For the period under review from 1 June 2020 to 30 November 2020, the Fund has registered a return of 11.91% as compared to the benchmark return of 13.37%. The Fund thus underperformed the benchmark by 1.46%. The Net Asset Value (NAV) per unit of the Fund as at 30 November 2020 was SGD0.6192 compared to its NAV per unit as at 31 May 2020 was SGD0.5533.

**GBP Hedged-Class**

For the period under review from 1 June 2020 to 30 November 2020, the Fund has registered a return of 11.76% as compared to the benchmark return of 13.37%. The Fund thus underperformed the benchmark by 1.61%. The Net Asset Value (NAV) per unit of the Fund as at 30 November 2020 was GBP0.5617 compared to its NAV per unit as at 31 May 2020 was GBP0.5026.

**EUR Hedged-Class**

For the period under review from 1 June 2020 to 30 November 2020, the Fund has registered a return of 11.51% as compared to the benchmark return of 13.37%. The Fund thus underperformed the benchmark by 1.86%. The Net Asset Value (NAV) per unit of the Fund as at 30 November 2020 was EUR0.5416 compared to its NAV per unit as at 31 May 2020 was EUR0.4857.

We believe that the fund's objective of providing investors with capital growth opportunities through a portfolio of collective investment schemes has been met.

## **Fund Performance**

### **USD Class**

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/6/20 - 30/11/20)</b>	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>12.25%</b>	<b>7.41%</b>	<b>15.50%</b>	<b>28.02%</b>
<b>Benchmark</b>	<b>13.37%</b>	<b>11.81%</b>	<b>19.77%</b>	<b>32.41%</b>
<b>Outperformance</b>	<b>(1.12%)</b>	<b>(4.40%)</b>	<b>(4.27%)</b>	<b>(4.39%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>7.41%</b>	<b>4.91%</b>	<b>6.07%</b>
<b>Benchmark</b>	<b>11.81%</b>	<b>6.19%</b>	<b>6.92%</b>
<b>Outperformance</b>	<b>(4.40%)</b>	<b>(1.28%)</b>	<b>(0.85%)</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2020</b> <b>(1/6/19 - 31/5/20)</b>	<b>FYE 2019</b> <b>(1/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(1/6/17 - 31/5/18)</b>	<b>FYE 2017</b> <b>(22/9/16 - 31/5/17)</b>
<b>Fund</b>	<b>3.48%</b>	<b>(0.26%)</b>	<b>4.88%</b>	<b>5.36%</b>
<b>Benchmark</b>	<b>5.51%</b>	<b>0.05%</b>	<b>5.73%</b>	<b>4.63%</b>
<b>Outperformance</b>	<b>(2.03%)</b>	<b>(0.31%)</b>	<b>(0.85%)</b>	<b>0.73%</b>

Source of Benchmark: Bloomberg

### **AUD Hedged-Class**

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/6/20 - 30/11/20)</b>	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>11.92%</b>	<b>5.11%</b>	<b>11.29%</b>	<b>21.68%</b>
<b>Benchmark</b>	<b>13.37%</b>	<b>11.81%</b>	<b>19.77%</b>	<b>34.14%</b>
<b>Outperformance</b>	<b>(1.45%)</b>	<b>(6.70%)</b>	<b>(8.48%)</b>	<b>(12.46%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>5.11%</b>	<b>3.63%</b>	<b>4.79%</b>
<b>Benchmark</b>	<b>11.81%</b>	<b>6.19%</b>	<b>7.25%</b>
<b>Outperformance</b>	<b>(6.70%)</b>	<b>(2.56%)</b>	<b>(2.46%)</b>

Source of Benchmark: Bloomberg



Table 3: Annual Total Return

	<b>FYE 2020</b> <b>(1/6/19 - 31/5/20)</b>	<b>FYE 2019</b> <b>(1/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(1/6/17 - 31/5/18)</b>	<b>FYE 2017</b> <b>(22/9/16 - 31/5/17)</b>
<b>Fund</b>	<b>0.87%</b>	<b>(0.92%)</b>	<b>4.38%</b>	<b>4.22%</b>
<b>Benchmark</b>	<b>5.51%</b>	<b>0.05%</b>	<b>5.04%</b>	<b>6.70%</b>
<b>Outperformance</b>	<b>(4.64%)</b>	<b>(0.97%)</b>	<b>(0.66%)</b>	<b>(2.48%)</b>

Source of Benchmark: Bloomberg

**MYR Hedged-Class**

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/6/20 - 30/11/20)</b>	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>12.70%</b>	<b>7.60%</b>	<b>16.78%</b>	<b>34.13%</b>
<b>Benchmark</b>	<b>13.37%</b>	<b>11.81%</b>	<b>19.77%</b>	<b>36.67%</b>
<b>Outperformance</b>	<b>(0.67%)</b>	<b>(4.21%)</b>	<b>(2.99%)</b>	<b>(2.54%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>7.60%</b>	<b>5.30%</b>	<b>7.25%</b>
<b>Benchmark</b>	<b>11.81%</b>	<b>6.19%</b>	<b>7.73%</b>
<b>Outperformance</b>	<b>(4.21%)</b>	<b>(0.89%)</b>	<b>(0.48%)</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2020</b> <b>(1/6/19 - 31/5/20)</b>	<b>FYE 2019</b> <b>(1/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(1/6/17 - 31/5/18)</b>	<b>FYE 2017</b> <b>(22/9/16 - 31/5/17)</b>
<b>Fund</b>	<b>3.40%</b>	<b>(0.02%)</b>	<b>5.96%</b>	<b>8.64%</b>
<b>Benchmark</b>	<b>5.51%</b>	<b>0.05%</b>	<b>5.10%</b>	<b>8.65%</b>
<b>Outperformance</b>	<b>(2.11%)</b>	<b>(0.07%)</b>	<b>0.86%</b>	<b>(0.01%)</b>

Source of Benchmark: Bloomberg

**SGD Hedged-Class**

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/6/20 - 30/11/20)</b>	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>11.91%</b>	<b>6.32%</b>	<b>12.09%</b>	<b>24.07%</b>
<b>Benchmark</b>	<b>13.37%</b>	<b>11.81%</b>	<b>19.77%</b>	<b>34.67%</b>
<b>Outperformance</b>	<b>(1.46%)</b>	<b>(5.49%)</b>	<b>(7.68%)</b>	<b>(10.60%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(22/9/16 - 30/11/20)</b>
<b>Fund</b>	<b>6.32%</b>	<b>3.88%</b>	<b>5.28%</b>
<b>Benchmark</b>	<b>11.81%</b>	<b>6.19%</b>	<b>7.35%</b>
<b>Outperformance</b>	<b>(5.49%)</b>	<b>(2.31%)</b>	<b>(2.07%)</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2020</b> <b>(1/6/19 - 31/5/20)</b>	<b>FYE 2019</b> <b>(1/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(1/6/17 - 31/5/18)</b>	<b>FYE 2017</b> <b>(22/9/16 - 31/5/17)</b>
<b>Fund</b>	<b>2.37%</b>	<b>(1.46%)</b>	<b>4.09%</b>	<b>5.58%</b>
<b>Benchmark</b>	<b>5.51%</b>	<b>0.05%</b>	<b>5.62%</b>	<b>6.54%</b>
<b>Outperformance</b>	<b>(3.14%)</b>	<b>(1.51%)</b>	<b>(1.53%)</b>	<b>(0.96%)</b>

Source of Benchmark: Bloomberg

**GBP Hedged-Class**

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/6/20 - 30/11/20)</b>	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Years</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(7/6/17 - 30/11/20)</b>
<b>Fund</b>	<b>11.76%</b>	<b>4.78%</b>	<b>8.44%</b>	<b>12.56%</b>
<b>Benchmark</b>	<b>13.37%</b>	<b>11.81%</b>	<b>19.77%</b>	<b>25.79%</b>
<b>Outperformance</b>	<b>(1.61%)</b>	<b>(7.03%)</b>	<b>(11.33%)</b>	<b>(13.23%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>3 Year</b> <b>(1/12/17 - 30/11/20)</b>	<b>Since Commencement</b> <b>(7/6/17 - 30/11/20)</b>
<b>Fund</b>	<b>4.78%</b>	<b>2.74%</b>	<b>3.45%</b>
<b>Benchmark</b>	<b>11.81%</b>	<b>6.19%</b>	<b>6.80%</b>
<b>Outperformance</b>	<b>(7.03%)</b>	<b>(3.45%)</b>	<b>(3.35%)</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2020</b> <b>(1/6/19 - 31/5/20)</b>	<b>FYE 2019</b> <b>(1/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(7/6/17 - 31/5/18)</b>
<b>Fund</b>	<b>0.42%</b>	<b>(2.32%)</b>	<b>2.68%</b>
<b>Benchmark</b>	<b>5.51%</b>	<b>0.05%</b>	<b>5.10%</b>
<b>Outperformance</b>	<b>(5.09%)</b>	<b>(2.37%)</b>	<b>(2.42%)</b>

Source of Benchmark: Bloomberg

## **EUR Hedged-Class**

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/6/20 - 30/11/20)</b>	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>Since Commencement</b> <b>(17/5/18 - 30/11/20)</b>
<b>Fund</b>	<b>11.51%</b>	<b>4.68%</b>	<b>8.32%</b>
<b>Benchmark</b>	<b>13.37%</b>	<b>11.81%</b>	<b>19.27%</b>
<b>Outperformance</b>	<b>(1.86%)</b>	<b>(7.13%)</b>	<b>(10.95%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/12/19 - 30/11/20)</b>	<b>Since Commencement</b> <b>(17/5/18 - 30/11/20)</b>
<b>Fund</b>	<b>4.68%</b>	<b>3.19%</b>
<b>Benchmark</b>	<b>11.81%</b>	<b>7.17%</b>
<b>Outperformance</b>	<b>(7.13%)</b>	<b>(3.98%)</b>

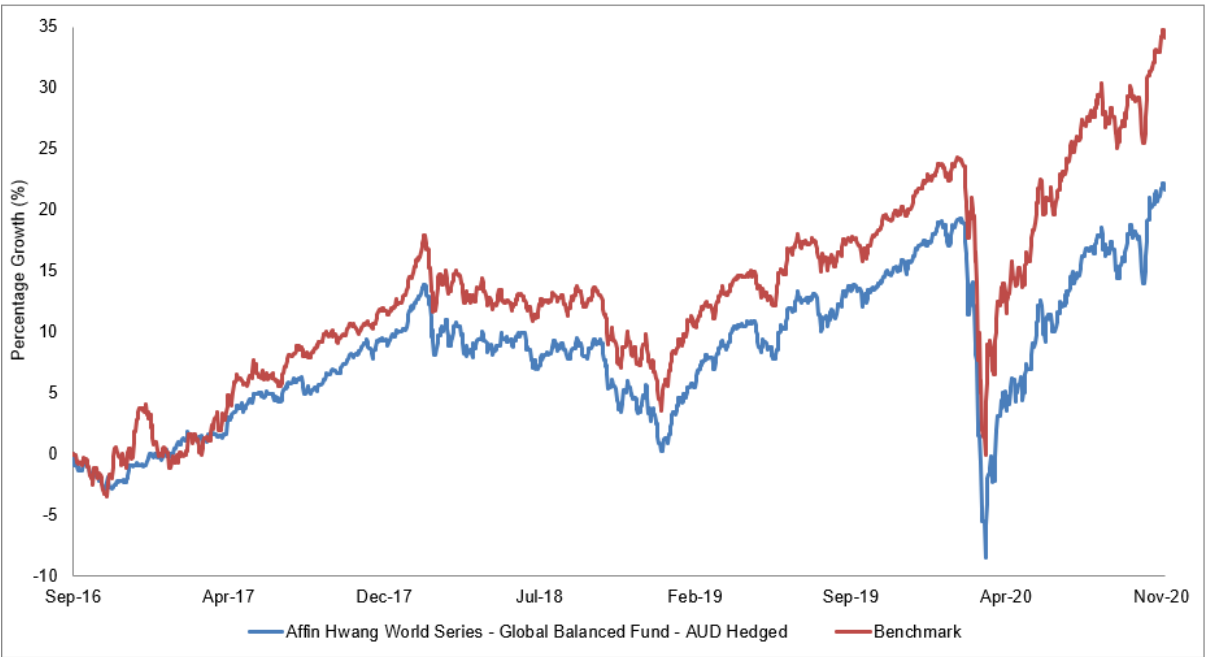
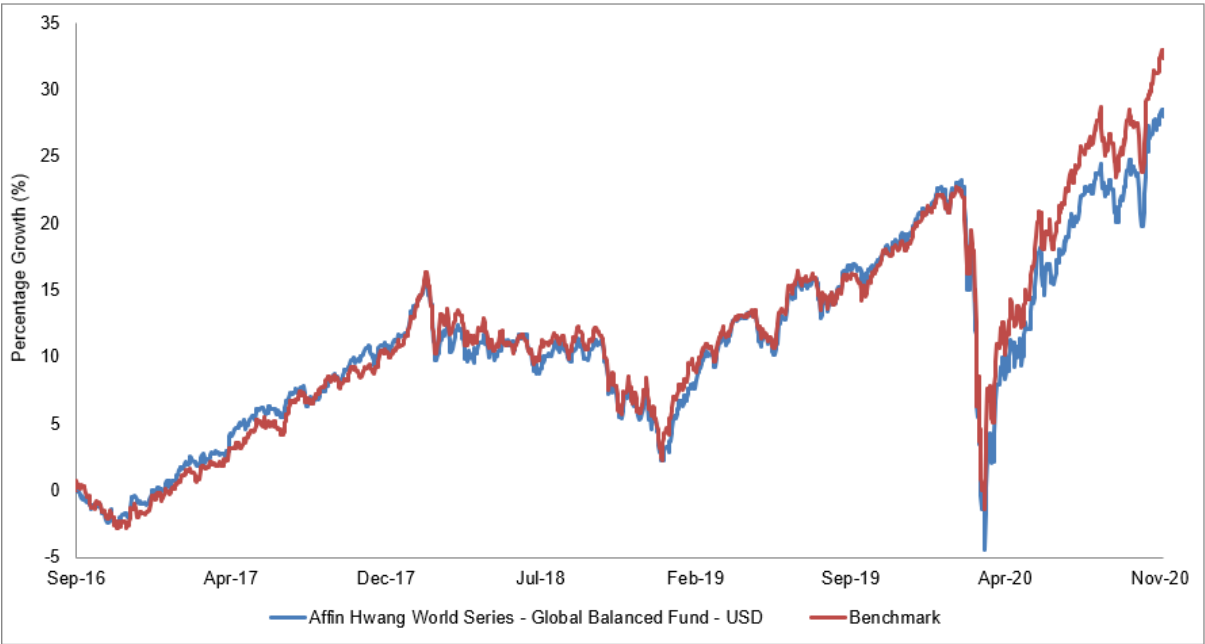
Source of Benchmark: Bloomberg

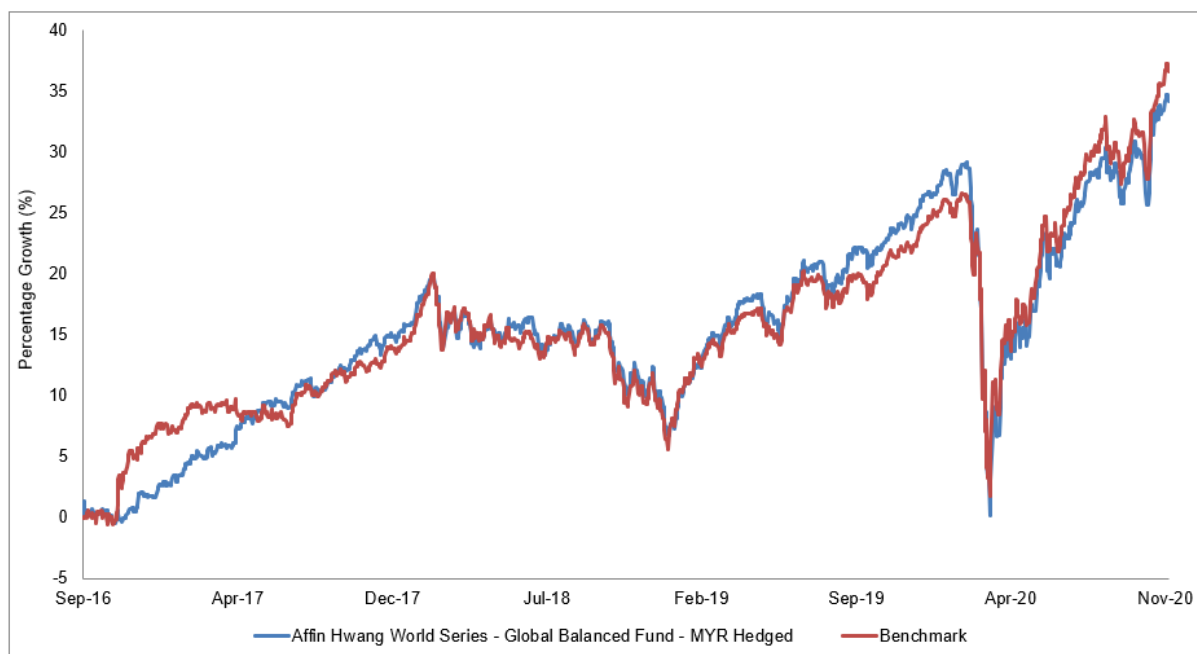
Table 3: Annual Total Return

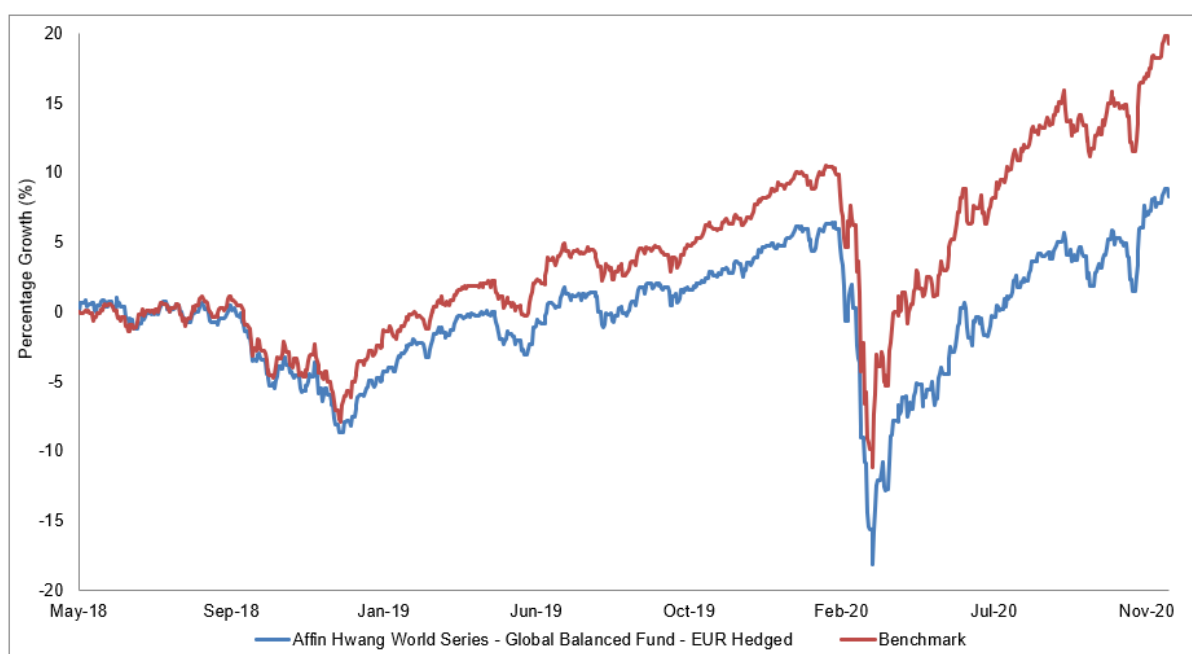
	<b>FYE 2020</b> <b>(1/6/19 - 31/5/20)</b>	<b>FYE 2019</b> <b>(17/5/18 - 31/5/19)</b>
<b>Fund</b>	<b>0.16%</b>	<b>(3.02%)</b>
<b>Benchmark</b>	<b>5.51%</b>	<b>(0.29%)</b>
<b>Outperformance</b>	<b>(5.35%)</b>	<b>(2.73%)</b>

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.







*"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: 50% MSCI All Country World Index + 50% Barclays Global Aggregate 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**

As at 30 November 2020, the asset allocation of the Fund stood at 66.46% in collective investment scheme, 5.01% higher than previous year. On the other hand, allocation in exchanged-traded fund was 7.02% lower than previous year while the balance was held in cash and cash equivalent.

## **Strategies Employed & Investment Outlook**

We remain overweight risk relative to the Portfolio's 50/50 benchmark, specifically favouring equities vs fixed income at a broad asset class level. While valuations have gotten more expensive after the recent rally in global stocks, we believe the persistent low rate environment coupled with policy action and positive momentum as it relates to vaccine developments are all supportive of risk taking in portfolios today. We believe the portfolio is in a good position to navigate these markets and as such made no changes to asset allocation.

Within fixed income, we maintain high conviction that in the current interest rate environment, flexibility within the fixed income portion of the portfolio is critical - allocating to more active, unconstrained fixed income strategies with significant flexibility to manage across interest rate and credit risk is critical in an environment such as the one we are in today. We maintain a preference for credit vs rate sensitive assets, as we believe credit is well supported by a more positive economic backdrop. To gain resilience and diversification relative to our overweight to equities, we focus on flexibility and prefer a combination of unconstrained fixed income, high quality credit and gold to diversify the portfolio effectively today.

Within equity, we maintain a preference for quality stocks, with a direct tilt towards quality as a rewarded risk factor. Within more unconstrained strategies we favour a more nuanced tilt towards quality cyclicals at this stage of the cycle. We are overweight EM equities, notably Asian stocks, with a view that growth prospects remain robust and the region remains ahead of its global counterparts in its progress to manage the impact of the pandemic.

We remain focused on a theme of resilience and flexibility. For investors who have traditionally owned more fixed income assets, the Global Balanced strategy may provide greater potential upside while helping to manage interest rate risk. For investors who may have a larger allocation to stocks, the Global Balanced strategy may also be able to provide greater diversification and downside protection without sacrificing the potential for attractive returns. In either case, we believe that the Global Balanced strategy may potentially be able to benefit investors in achieving attractive returns with moderate risk, a value proposition we believe to be relevant for many investors today.

## **Market Review**

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The World Health Organization declared a global health emergency as soon as the coronavirus outbreak has claimed the lives of at least 300 people with rates of infection rapidly increasing. The global equities trended lower as risk assets continue to reel from the impact of the Covid-19 outbreak which sent chills to investors. The rapid spread of the infection outside of China with new cases springing in Italy, South Korea and Iran led to a rush towards safe haven assets with US Treasury yields dipping to record lows.

Coming into March, the global markets faced a washout, as few asset classes were spared from the selloff due to the pandemic fears as infection rates continue to escalate rapidly. The MSCI Asia ex-Japan index closed 12.2% lower in the month. In the US, the S&P 500 index closed 12.5% lower that month. In an attempt to stem the fallout from the coronavirus, major economies led by the US has introduced an unprecedented relief package to cushion its economy. The relief package comes as the US also reports the greatest number of Covid-19 cases, making it the country with the largest outbreak in the world surpassing that of Italy and China.

However, global equities staged a rebound in April as markets looked past recent softness in economic data and were instead buoyed by stimulus optimism as well as encouraging developments on the COVID-19 front. The rally was fuelled by a volley of stimulus measures rolled out by major central banks including an expansion package by the US Federal Reserve and the European Union (EU). The S&P 500 index advanced since. By November, the S&P 500 index closed 10.8% higher from the previous month. This positive effect extended to Asia as well, with the Hang Seng Index and broader MSCI Asia ex Japan index rising 9.15% and 8.00% respective in the same period.

The US unveiled its Main Street Lending Program which is designed to provide support and ensure credit flow into SMEs that were in "good financial standing". Similarly, the EU proposed a European Stability Mechanism ("ESM") which offers a credit line of up to 240 billion Euros to EU members.

Tensions between the two global powerhouses rose recently after China ordered the US to close its Chengdu-based consulate. The order followed the US closure of the Chinese consulate in Houston. On the other hand,

remarks by US President Donald Trump that he will move to ban Chinese-owned video app TikTok in the US also added fuel to this fire.

On commodities, crude oil prices slid by about 40% YTD as at end of October, after oil prices rebounded in June following a move by Organization of the Petroleum Exporting Countries ("OPEC") and its oil-producing allies to extend the group's historic production cut.

On the domestic front, the country plunged into political turmoil which ultimately culminated in the appointment of Tan Sri Muhyiddin Yassin as the eighth Prime Minister, from the Perikatan Nasional coalition (UMNO, PAS, Bersatu and a splinter faction of PKR). The appointment was announced by Istana Negara amidst shifting political allegiances and frantic horse-trading across the ruling and opposition coalitions.

Malaysia's economy posted a smaller contraction of 2.7 per cent in the third quarter (3Q) of 2020, surpassing consensus estimate of -4.6 per cent, as well as the Gross Domestic Product (GDP) contraction of 17.1 per cent in 2Q, supported by improvements in all sectors.

Prime Minister Tan Sri Muhyiddin Yassin unveiled a RM250 billion economic stimulus package to soften the economic blow due to the impact of Covid-19 with businesses shuttered due to the movement control order (MCO). Called the Pakej Rangsangan Ekonomi Prihatin Rakyat or Prihatin, the package comprises RM128 billion to protect the welfare of the people, RM100 billion to protect the welfare of small and medium enterprises ("SMEs") and RM2 billion to strengthen the country's economy according to The Edge. This was on top of the RM20 billion stimulus that was earlier announced on 27 February.

Whilst RM250 billion seems like a massive amount on the surface, the actual fiscal spending outlay amounts to 10.0% or RM25billion. The rest of the relief package comes in the form of loan guarantees, moratorium in loan repayments, EPF withdrawals, among others. In April, Prime Minister had announced an additional RM10billion package to help SMEs cope during the pandemic.

Malaysia Budget 2021 was announced in November, with an allocated RM 322.5 billion expenditure, with 26.5% of it coming from borrowings and use of government assets. 5.3% of this budget has been devoted to the Covid-19 fund. Targeted measures by this budget include extension of the Principal Hub incentive to Dec 2022, reduction of individual EPF contribution and review of income tax exemption on Green Sustainable and Responsible Investment Sukuk grant.

The Malaysia bond market saw foreign holdings increase by RM 2.7 billion in November making up 13.6% of total bonds outstanding, its highest since January 2020. Though foreign demand seems to be positive, overall yields still grew as selling concentrated on the lower end of the curve, as yields for the 15-year and 20-year MGS edged up 28 bps and 18 bps in the last week of November.

## **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 following the low death rates despite the rise in infections. With most markets recovering the year's losses by November, coincided with the release of Phase III clinical trial data for the vaccines, there is certainly light at the end of the tunnel for global markets.

Markets will be playing a "recovery theme" from December onwards and into 2021. Current estimates suggest global GDP to fall around 5% at the end of 2020, with an expected rebound of 5.4% in 2021 with the reopening of economies and growth returns. But as vaccines take time to produce even at current maximum production levels, we should expect this "recovery theme" to be a multi-year theme.

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe's continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe's exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.



US-China trade tensions are likely to remain in the short-term. A Biden presidency could potentially uplift geopolitical risk with a steadier hand at the helm. Consistency in policy implementation is key alongside clarity on the nature of the two countries' relationship with each other. A Biden win will set the stage for a post-election rally as investors warm to the idea. However, the issue of a divided Congress remains, with markets expecting a Republican-majority in control of the Senate.

In Malaysia, recent alarming increase in Covid-19 cases caused targeted lockdowns across the country, potentially delaying economic recovery although remaining positive on a full rebound by 2021. From a bottom-up perspective, markets are still focused on more export-oriented industries i.e. gloves, electromotive force and technology stocks. Politics pose as minor distraction seeing how the peak of political risk has passed after Sabah election results were released. However, the risk to policy continuity caused by uncertainty of a majority win could lead to potential loss on FDI opportunities to other emerging market countries.

Inflows into global equity funds surge past US\$100 billion in the last 3 weeks of November as investors continue to pile into equities with markets turning risk-on. Buoyed by a "Goldilocks" environment with a favourable US election outcome, low interest rates and positive developments on the vaccine front, we could see additional support for risk assets.

Earnings momentum is expected to continue into 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 crept up above historical averages.

### **State of Affairs of the Fund**

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

### **Soft Commissions received from Brokers**

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

### **Cross Trade**

No cross trade transactions have been carried out during the reported period.

## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

We have acted as Trustee of Affin Hwang World Series – Global Balanced Fund (“the Fund”) for 6 months financial period ended 30 November 2020. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has managed the Fund in accordance with the limitations imposed on the investment powers of the management company and the trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission’s Guidelines on Unit Trust Funds and other applicable laws during the period then ended.

We have also ensured the following:

- (a) the procedures and processes employed by **Affin Hwang Asset Management Berhad** to value and/or price the units of the Fund are adequate and that such valuation/pricing is carried out in accordance with the Deed of the Fund and other regulatory requirements; and
- (b) the creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

For TMF Trustees Malaysia Berhad  
(Company No.: 610812-W)

**NORHAYATI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
15 January 2021

**AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

# **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

## **UNAUDITED FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

<b>CONTENTS</b>	<b>PAGE(S)</b>
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	1 - 2
UNAUDITED STATEMENT OF FINANCIAL POSITION	3 - 4
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	5 - 6
UNAUDITED STATEMENT OF CASH FLOWS	7
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	8 - 15
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS	16 - 42
STATEMENT BY THE MANAGER	43

# AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

	<u>Note</u>	6 months financial period ended 30.11.2020 USD	6 months financial period ended 30.11.2019 USD
<b>INVESTMENT INCOME</b>			
Dividend income		935,300	2,295,595
Interest income from deposits with licensed financial institutions		2,255	9,693
Net (loss)/gain on foreign currency exchange		(8,304)	19,387
Net gain on forward foreign currency contracts at fair value through profit or loss		8,725,981	333,407
Net gain on financial assets at fair value through profit or loss	8	14,500,374	13,790,990
		<u>24,155,606</u>	<u>16,449,072</u>
<b>EXPENSES</b>			
Management fee	4	(814,282)	(1,179,007)
Trustee fee	5	(37,677)	(55,005)
Auditors' remuneration		(1,045)	(897)
Tax agent's fee		(407)	(419)
Transaction cost		(19,372)	(50,422)
Other expenses		(15,736)	(15,681)
		<u>(888,519)</u>	<u>(1,301,431)</u>
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>		23,267,087	15,147,641
<b>FINANCE COST</b>			
Distributions	6	-	(133,192)
<b>NET PROFIT AFTER FINANCE COST BEFORE TAXATION</b>		23,267,087	15,014,449
Taxation	7	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>23,267,087</u>	<u>15,014,449</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

	<u>Note</u>	6 months financial period ended 30.11.2020 USD	6 months financial period ended 30.11.2019 USD
Increase of net asset attributable to unitholders is made up of the following:			
Realised amount		5,054,252	503,754
Unrealised amount		18,212,835	14,510,695
		<u>23,267,087</u>	<u>15,014,449</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2020

	<u>Note</u>	<u>2020</u> USD	<u>2019</u> USD
<b>ASSETS</b>			
Cash and cash equivalents	9	1,842,388	3,378,869
Amount due from Manager			
- creation of units		303,452	585,576
- management fee rebate receivable		381	523
Dividend receivables		80,487	253,564
Financial assets at fair value through profit or loss	8	110,144,478	162,115,002
Forward foreign currency contracts at fair value through profit or loss	10	4,037,869	798,012
<b>TOTAL ASSETS</b>		<u>116,409,055</u>	<u>167,131,546</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	10	-	670,152
Amount due to broker		1,000,000	92,370
Amount due to Manager			
- management fee		123,176	177,745
- cancellation of units		867,402	1,238,566
Amount due to Trustee		5,685	8,203
Auditors' remuneration		825	765
Tax agent's fee		2,211	2,288
Other payable and accruals		(1,436)	(2,578)
<b>TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>1,997,863</u>	<u>2,187,511</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>114,411,192</u>	<u>164,944,035</u>
<b>NET ASSET ATTRIBUTABLE TO UNITHOLDERS</b>		<u>114,411,192</u>	<u>164,944,035</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

# AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2020 (CONTINUED)

	<u>Note</u>	<u>2020</u> USD	<u>2019</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- AUD Hedged-class		17,250,622	20,849,019
- EUR Hedged-class		820,206	536,802
- GBP Hedged-class		11,485,384	14,230,106
- MYR Hedged-class		69,512,854	106,238,815
- SGD Hedged-class		8,157,942	10,387,440
- USD Class		7,184,184	12,701,853
		<u>114,411,192</u>	<u>164,944,035</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- AUD Hedged-class	11(a)	38,444,000	53,165,000
- EUR Hedged-class	11(b)	1,264,000	943,000
- GBP Hedged-class	11(c)	15,334,000	20,575,000
- MYR Hedged-class	11(d)	424,365,000	715,590,000
- SGD Hedged-class	11(e)	17,616,000	24,379,000
- USD Class	11(f)	11,295,000	21,452,000
		<u>508,318,000</u>	<u>836,104,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- AUD Hedged-class		0.4487	0.3922
- EUR Hedged-class		0.6489	0.5692
- GBP Hedged-class		0.7490	0.6916
- MYR Hedged-class		0.1638	0.1485
- SGD Hedged-class		0.4631	0.4261
- USD Class		<u>0.6360</u>	<u>0.5921</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD Hedged-class		AUD0.6084	AUD0.5788
- EUR Hedged-class		EUR0.5416	EUR0.5174
- GBP Hedged-class		GBP0.5617	GBP0.5361
- MYR Hedged-class		RM0.6671	MYR0.6200
- SGD Hedged-class		SGD0.6192	SGD0.5824
- USD Class		<u>USD0.6360</u>	<u>USD0.5921</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.



# AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

## UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

	6 months financial period ended 30.11.2020 USD	6 months financial period ended 30.11.2019 USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	129,709,332	201,030,967
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	5,692,287	5,396,348
- AUD Hedged-class	1,095,008	1,845,744
- EUR Hedged-class	547,947	110,229
- GBP Hedged-class	997,795	1,457,031
- MYR Hedged-class	1,226,428	775,693
- SGD Hedged-class	1,099,430	393,655
- USD Class	725,679	813,996
Creation of units arising from distributions	-	131,150
- AUD Hedged-class	-	-
- EUR Hedged-class	-	-
- GBP Hedged-class	-	-
- MYR Hedged-class	-	104,691
- SGD Hedged-class	-	-
- USD Class	-	26,459
Cancellation of units	(44,257,514)	(56,628,879)
- AUD Hedged-class	(6,412,578)	(4,815,358)
- EUR Hedged-class	(393,743)	(39,198)
- GBP Hedged-class	(2,917,138)	(6,569,955)
- MYR Hedged-class	(27,731,274)	(37,285,312)
- SGD Hedged-class	(2,266,385)	(2,456,748)
- USD Class	(4,536,396)	(5,462,308)

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

	6 months financial period ended <u>30.11.2020</u> USD	6 months financial period ended <u>30.11.2019</u> USD
Increase/(decrease) of net asset attributable to unitholders during the financial period	23,267,087	15,014,449
- AUD Hedged-class	4,106,477	1,129,897
- EUR Hedged-class	145,176	25,616
- GBP Hedged-class	2,124,417	1,458,609
- MYR Hedged-class	14,515,008	10,325,480
- SGD Hedged-class	1,335,074	932,841
- USD Class	1,040,935	1,142,006
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>114,411,192</u></u>	<u><u>164,944,035</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

# AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

## UNAUDITED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

	6 months financial period ended <u>Note</u> <u>30.11.2020</u> USD	6 months financial period ended <u>30.11.2019</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	66,095,915	67,856,346
Purchase of investments	(34,369,191)	(17,204,854)
Dividends received	1,058,713	2,042,031
Interest received	2,255	9,693
Management fee rebate received	1,963	3,119
Management fee paid	(831,176)	(1,231,530)
Trustee fee paid	(38,457)	(57,430)
Payment for other fees and expenses	(37,547)	(68,658)
Realised loss on forward foreign currency contracts	1,889,353	(2,392,019)
Net realised gain on foreign currency exchange	32,881	21,920
Net cash generated from operating activities	<u>33,804,709</u>	<u>48,978,618</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	5,389,553	4,861,707
Payments for cancellation of units	(43,655,072)	(56,446,976)
Payments for distribution	-	(2,042)
Net cash used in financing activities	<u>(38,265,519)</u>	<u>(51,587,311)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(4,460,810)	(2,608,693)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(41,185)	(2,533)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>6,344,383</u>	<u>5,990,095</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9 <u>1,842,388</u>	<u>3,378,869</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards ("MFRS").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial period. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note N.

(a) Standards, amendments to published standards and interpretations that are effective

- IC Interpretation 23 'Uncertainty over Income Tax Treatments' (effective 1 January 2019)
- Annual Improvements to MFRSs 2015 – 2017 Cycle (effective 1 January 2019)

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective

- Amendments to MFRS 3 'Definition of a Business' (effective 1 January 2020) revise the definition of a business.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)**

#### **B INCOME RECOGNITION**

##### Interest income

Interest income from short term deposit with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

##### Realised gains and losses on sales of investments

For collective investment schemes ("CIS") and exchange traded funds ("ETF"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

#### **C TRANSACTION COSTS**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

#### **D DISTRIBUTION**

A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

#### **E TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial period.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

#### **F FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Fund's functional and presentation currency.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)**

#### **G FOREIGN CURRENCY TRANSLATIONS**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in CIS and ETF have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, dividends receivable, amount due from as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to brokers, amount due to Manager, amount due to Trustee, auditors' remuneration and tax agent's fee as financial liabilities measured at amortised cost.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

Investment in CIS are valued at the last published NAV per unit at the date of the statement of financial position.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

##### (iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

##### Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment (continued)

###### Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

###### Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

###### Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

###### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial period.

#### I CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and cash equivalents and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)**

#### **J CREATION AND CANCELLATION OF UNITS**

The unitholders' contribution to the Fund meets the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in six classes of units, known respectively as the AUD Hedged-class, EUR Hedged-class, GBP Hedged-class, MYR Hedged-class, SGD Hedged-class and USD Class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

#### **K AMOUNTS DUE FROM/ (TO) BROKER**

Amounts due from and to broker represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from broker balance is held for collection. Refer to Note G for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit impaired.

#### **L INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Income not distributed is included in net assets attributable to unitholders.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)**

#### **M DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note G.

#### **N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

##### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) Significant portion of the Fund's NAV are in investments denominated in USD.
- ii) Significant portion of the Fund's cash is denominated in USD for the purpose of making settlement of foreign trades and expenses.
- iii) Significant portion of the Fund's expenses are denominated in USD.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)**

#### **O    REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

The analysis of realised and unrealised amounts in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Fund.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

#### **1 INFORMATION ON THE FUND**

The Unit Trust Fund was constituted under the name Affin Hwang Global Balanced Fund (the “Fund”) pursuant to the execution of a Deed dated 29 March 2016, Supplemental Deed dated 1 November 2016 and Second Supplemental Deed dated 26 January 2019 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Affin Hwang Global Balanced Fund to Affin Hwang World Series – Global Balanced Fund as amended by the Supplemental Deed dated 1 November 2016

The Fund commenced operations on 22 September 2016 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest any of in the following assets, subject to the Deeds, the Fund’s objective, the Guidelines, the requirements of the Securities Commission (“SC”) and all relevant laws:

- (a) Units/shares in collective investment schemes;
- (b) Money market instruments;
- (c) Fixed deposits;
- (d) Derivatives;
- (e) Any other form of investments as may be permitted by the SC from time to time is in line with the objective of the Fund.

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds.

The main objective of the Fund is to provide investors with capital growth opportunities through a portfolio of collective investment schemes.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 15 January 2021.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised costs USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2020</u>				
<u>Financial asset</u>				
Cash and cash equivalents		1,842,388	-	1,842,387
Dividend receivables		80,487	-	80,487
Amount due from Manager				
- creation of units		303,452	-	303,452
- rebate of management fee receivable		381	-	381
Collective investment schemes	7	-	76,040,745	76,040,745
Exchange-traded funds – local	7	-	1,460,824	1,460,824
Exchange-traded funds – foreign	8	-	32,642,909	32,642,909
Forward foreign currency contracts	8	-	4,037,869	4,037,869
Total		<u>2,226,708</u>	<u>114,182,347</u>	<u>116,409,055</u>
<u>Financial liabilities</u>				
Amount due to brokers		1,000,000	-	1,000,000
Amount due to Manager				
- management fee		123,176	-	123,176
- cancellation of units		867,402	-	867,402
Amount due to Trustee		5,685	-	5,685
Auditors' remuneration		825	-	825
Tax agent's fee		2,211	-	2,211
Other payables and accruals		(1,436)	-	(1,436)
Total		<u>1,997,863</u>	<u>-</u>	<u>1,997,863</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised costs USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2019</u>				
<u>Financial asset</u>				
Cash and cash equivalents		3,378,869	-	3,378,869
Dividend receivables		253,564	-	253,564
Amount due from Manager				
- creation of units		585,576	-	585,576
- rebate of management fee receivable		523	-	523
Collective investment schemes	7	-	101,361,465	101,361,465
Exchange-traded funds	7	-	60,753,537	60,753,537
Forward foreign currency contracts	8	-	798,012	798,012
Total		<u>4,218,532</u>	<u>162,213,014</u>	<u>167,131,546</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts		-	670,152	670,152
Amount due to broker		92,370	-	92,370
Amount due to Manager				
- management fee		177,745	-	177,745
- cancellation of units		1,238,566	-	1,238,566
Amount due to Trustee		8,203	-	8,203
Auditors' remuneration		712	-	712
Tax agent's fee		2,234	-	2,234
Other payables and accruals		(2,471)	-	(2,471)
Total		<u>1,517,359</u>	<u>670,152</u>	<u>2,187,511</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), liquidity risk, credit risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust Funds.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	<u>2020</u> USD	<u>2019</u> USD
<b>Quoted investments</b>		
Collective investment schemes	76,040,745	101,361,465
Exchange-traded-funds	34,103,733	60,753,537
	<u>110,144,478</u>	<u>162,115,002</u>

##### (a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2019: 5%) and decreased by 10% (2019: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted investment, having regard to the historical volatility of the prices.

<u>% change in price</u>	<u>Market value</u> USD	Impact on profit after <u>tax/NAV</u> USD
<u>2020</u>		
-10%	99,130,030	(11,014,448)
0%	110,144,478	-
+10%	<u>121,158,926</u>	<u>11,014,448</u>
<u>2019</u>		
-5%	154,009,252	(8,105,750)
0%	162,115,002	-
+5%	<u>170,220,752</u>	<u>8,105,750</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to short term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short term basis.

The Fund's exposure to interest rate risk associated with deposit with licensed financial institutions is not material as deposits are held on a short term basis.

##### (c) Currency risk

Currency risk is associated with assets/liabilities denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the assets/ liabilities will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Exchange- trade funds USD	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>2020</u>					
<u>Financial assets</u>					
Australian Dollar	-	817,033	7,405	148,593	973,031
Euro	-	17,114	6,778	-	23,892
Great British Pounds	-	375,791	312,174	-	687,965
Malaysian Ringgit	1,460,824	2,799,740	159,221	99,649	4,519,434
Singapore Dollar	-	28,191	871	12,511	41,573
	<u>1,460,824</u>	<u>4,037,869</u>	<u>486,449</u>	<u>260,753</u>	<u>6,245,895</u>



## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:  
(continued)

<u>2020</u> (continued)		Other liabilities* USD	Net assets attributable to unitholders USD	Total USD
<u>Financial liabilities</u>				
Australian Dollar		115,188	17,250,622	17,365,810
Euro		-	820,206	820,206
Great British Pounds		307,993	11,485,384	11,793,377
Malaysian Ringgit		409,176	69,512,854	69,922,030
Singapore Dollar		16,281	8,157,942	8,174,223
		<u>848,638</u>	<u>107,227,008</u>	<u>108,075,646</u>

<u>2019</u>	Exchange- trade funds USD	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>Financial assets</u>					
Australian Dollar	-	2,728	203,106	79,679	285,513
Euro	-	-	1,295	-	1,295
Great British Pounds	-	578,103	75,806	-	653,909
Malaysian Ringgit	2,099,729	168,030	646,103	41,334	2,955,196
Singapore Dollar	-	49,151	229,626	-	278,777
	<u>2,099,729</u>	<u>798,012</u>	<u>1,155,936</u>	<u>121,013</u>	<u>4,174,690</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:  
(continued)

	Forward foreign currency contracts USD	Other assets*/ (liabilities)** USD	Net assets attributable to unitholders USD	Total USD
<u>2019</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	279,434	56,393	20,849,019	21,184,846
Euro	7,139	-	536,802	543,941
Great British Pounds	-	-	14,230,106	14,230,106
Malaysian Ringgit	355,139	1,000,424	106,238,815	107,594,378
Singapore Dollar	28,440	129,465	10,387,440	10,545,345
	<u>670,152</u>	<u>1,186,282</u>	<u>152,242,182</u>	<u>154,098,616</u>

\*Other liabilities consist of amount due to Manager, amount due to brokers, auditor's remuneration and tax agent's fee.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's (loss)/profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2019: 5%) with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 10% (2019: 5%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on (loss)/profit after tax/ NAV USD
<u>2020</u>		
Australian Dollar	+/- 10	+/- 1,639,278
Euro	+/- 10	+/- 79,631
Great British Pounds	+/- 10	+/- 1,110,541
Malaysian Ringgit	+/- 10	+/- 6,540,260
Singapore Dollar	+/- 10	+/- 813,265
<u>2019</u>		
Australian Dollar	+/- 5	+/- 1,044,967
Euro	+/- 5	+/- 27,132
Great British Pounds	+/- 5	+/- 678,810
Malaysian Ringgit	+/- 5	+/- 5,231,959
Singapore Dollar	+/- 5	+/- 513,328

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	Within one month USD	Between one month to one year USD	Total USD
<u>2020</u>			
Amount due to Manager			
- management fees	123,176	-	123,176
- cancellation of units	867,402	-	867,402
Amount due to Trustee	5,685	-	5,685
Amount due to brokers	1,000,000	-	1,000,000
Auditors' remuneration	-	825	825
Tax agent fee	-	2,211	2,211
Other payables and accruals	-	(1,436)	(1,436)
Net asset attributable to unitholders*	114,411,192	-	114,411,192
	<u>116,407,455</u>	<u>1,600</u>	<u>116,409,055</u>
<u>2019</u>			
Amount due to Manager			
- management fees	177,745	-	177,745
- cancellation of units	1,238,566	-	1,238,566
Amount due to Trustee	8,203	-	8,203
Amount due to brokers	92,370	-	92,370
Auditors' remuneration	-	765	765
Tax agent fee	-	2,288	2,288
Other payables and accruals	-	(2,578)	(2,578)
Forward foreign currency contracts at fair value through profit or loss	269,014	401,138	670,152
Net asset attributable to unitholders*	164,944,035	-	164,944,035
	<u>166,729,933</u>	<u>401,613</u>	<u>167,131,546</u>

\*Outstanding units are redeemed in demand of the unitholders option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The following table sets out the credit risk concentration and counterparties of the Fund:

	Forward foreign currency contracts USD	Cash and bank balances USD	Other assets* USD	Total USD
<u>2020</u>				
Finance				
- AAA	2,791,527	152,421	-	2,943,948
- AA1	-	1,689,967	-	1,689,967
- AA2	346,314	-	-	346,314
- AA3	361,915	-	-	361,915
- NR	538,113	-	-	538,113
Others				
- NR	-	-	384,320	384,320
	<u>4,037,869</u>	<u>1,842,388</u>	<u>384,320</u>	<u>6,264,577</u>
<u>2019</u>				
Finance				
- AAA	80,599	643,437	-	724,036
- AA1	313,706	2,735,432	-	3,049,138
- AA2	175,031	-	-	175,031
- AA3	63,363	-	-	63,363
- NR	165,313	-	-	165,313
Others				
- NR	-	-	839,663	839,663
	<u>798,012</u>	<u>3,378,869</u>	<u>839,663</u>	<u>5,016,544</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk (continued)

- \* Other assets consist of dividend receivables, amount due from Manager, rebate of management fee receivable and amount due from brokers.

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

##### (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2020</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	76,040,745	-	-	76,040,745
- exchange-traded-funds	34,103,733	-	-	34,103,733
- forward foreign currency contract	-	4,037,869	-	4,037,869
	<u>110,144,478</u>	<u>4,037,869</u>	<u>-</u>	<u>114,182,347</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value: (continued)

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2019</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	101,361,465	-	-	101,361,465
- exchange-traded-funds	60,753,537	-	-	60,753,537
- forward foreign currency contract	-	798,012	-	798,012
	<u>162,115,002</u>	<u>798,012</u>	<u>-</u>	<u>162,913,014</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contract	-	670,152	-	670,152
	<u>-</u>	<u>670,152</u>	<u>-</u>	<u>670,152</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include CIS and ETF. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or not alternative pricing sources supported by observable inputs are classified within Level 2. This include forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The carrying values of cash and cash equivalents, amount due from broker, amount due from Manager, dividend receivables and all current liabilities except for forward currency contracts are a reasonable approximation of the fair values due to their short term nature.



## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the net asset value (NAV) of the Fund calculated on a daily basis.

For the 6 months financial period ended 30 November 2020, the management fee is recognised at a rate of 1.30% (2019: 1.30%) per annum on the NAV of the Fund, calculated on a daily basis.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

#### 5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the net asset value (NAV) of the Fund excluding of foreign custodian fees and charges.

For the 6 months financial period ended 30 November 2020, the Trustee's fee is recognised at a rate of 0.06% (2019: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on a daily basis.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.

#### 6 DISTRIBUTION

6 months financial period ended 30.11.2020 USD	6 months financial period ended 30.11.2019 USD
--	--

Distribution to unitholders is from the following sources:

Prior year's realised income	-	133,192
Gross realised income	-	133,192
Less: Expenses	-	-
Net distribution amount	-	133,192

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 6 DISTRIBUTION (CONTINUED)

	Gross/Net distribution per unit (sen)			
	GBP Hedged-class GBP	MYR Hedged-class MYR	SGD Hedged-class SGD	USD Class USD
<u>2019</u>				
17.07.2019	-	0.050	-	0.100

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution made for the financial period includes an amount of USD Nil (2019: USD133,192) from previous year's realised income.

#### 7 TAXATION

	6 months financial period ended <u>30.11.2020</u> USD	6 months financial period ended <u>30.11.2019</u> USD
Current taxation	-	-

The numerical reconciliation between net profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	6 months financial period ended <u>30.11.2020</u> USD	6 months financial period ended <u>30.11.2019</u> USD
Net profit before finance cost and taxation	23,267,087	15,147,641
Tax at Malaysian statutory rate of 24% (2019: 24%)	5,584,101	3,635,434
Tax effects of:		
Investment income not brought to tax	(5,796,783)	(3,947,016)
Expenses not deductible for tax purposes	17,279	28,879
Restriction on tax deductible expenses for Unit Trust Funds	195,403	282,703
Tax expense	-	-

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> USD	<u>2019</u> USD
Designated at fair value through profit or loss at inception		
- collective investment schemes – foreign	76,040,745	101,361,465
- exchange-traded funds – local	1,460,824	2,099,729
- exchange-traded funds – foreign	32,642,909	58,653,808
	<u>110,144,478</u>	<u>162,115,002</u>
	<u>2020</u> USD	<u>2019</u> USD
Net gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	3,080,639	2,000,016
- unrealised gain on changes in fair value	11,417,391	11,787,802
- management fee rebate on collective investment scheme	2,344	3,172
	<u>14,500,374</u>	<u>13,790,990</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Collective investment schemes - foreign

(i) Collective investment schemes - foreign as at 30 November 2020 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
BlackRock Global Funds – Emerging Markets Fund	82,639	3,372,581	4,224,489	3.69
BlackRock Global Funds – Global Allocation Fund	250,436	17,951,863	19,478,881	17.03
BlackRock Global Funds – Global Corporate Bond Fund	256,027	3,737,964	4,342,225	3.79
BlackRock Global Funds – Fixed Income Global Opp Fund	1,107,610	11,086,653	12,283,398	10.74
BlackRock Global Funds – Global High Yield Bond Fund	492,476	3,981,614	4,097,403	3.58
BlackRock Global Funds – Euro Special Situation Fund	118,123	7,439,249	8,489,525	7.42
BlackRock Global Funds – Asian Tiger Bond Fund	504,400	5,977,777	6,123,412	5.35
BlackRock Global Funds – Global Multi-Asset Income Fd	917,564	9,207,171	9,175,639	8.02
BlackRock Global Funds – Asian Multi-Asset Income Fund	521,024	6,665,952	7,825,773	6.84
Total collective investment schemes - foreign	<u>4,250,299</u>	<u>69,420,824</u>	<u>76,040,745</u>	<u>66.46</u>
Accumulated unrealised gain on collective investment schemes - foreign		<u>6,619,921</u>		
Total collective investment schemes - foreign		<u>76,040,745</u>		

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Collective investment schemes – foreign (continued)

(ii) Collective investment schemes - foreign as at 30 November 2019 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
BlackRock Strategic Funds – Style Advantage Fund	60,585	6,550,000	6,377,223	3.87
BlackRock Global Funds – Asian Multi-Asset Growth Fund	843,404	10,770,441	11,529,331	6.99
BlackRock Global Funds – Asian Tiger Bond Fund	544,349	6,513,289	6,532,185	3.96
BlackRock Global Funds – Dynamic High Income Fund	848,434	8,202,003	8,238,291	4.99
BlackRock Global Funds – European Special Situations Fund	619,805	9,104,368	11,237,072	6.81
BlackRock Global Funds – Global Corporate Bond Fund	1,046,580	14,764,531	16,358,040	9.92
BlackRock Global Funds – Global High Yield Bond Fund	1,010,026	8,171,189	8,191,309	4.97
BlackRock Global Funds – Global Multi-Asset Income Fund	3,303,013	33,307,938	32,898,014	19.94
Total collective investment schemes - foreign	<u>8,276,196</u>	<u>97,383,759</u>	<u>101,361,465</u>	<u>61.45</u>
Accumulated unrealised gain on collective investment schemes - foreign		<u>3,977,706</u>		
Total collective investment schemes - foreign		<u>101,361,465</u>		

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Exchange-traded-funds - local

(i) Exchange-traded-funds - local as at 30 November 2020 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
TradePlus Shariah Gold Tracker	2,581,000	1,149,075	1,460,824	1.28
Total collective investment schemes - local	2,581,000	1,149,075	1,460,824	1.28
Accumulated unrealised gain on exchange-traded-funds - local		311,749		
Total exchange-traded-funds - local		1,460,824		

(ii) Exchange-traded-funds - local as at 30 November 2019 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
TradePlus Shariah Gold Tracker	4,451,000	1,981,609	2,099,729	1.27
Total collective investment schemes - local	4,451,000	1,981,609	2,099,729	1.27
Accumulated unrealised gain on exchange-traded-funds - local		118,120		
Total exchange-traded-funds - local		2,099,729		

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Exchange-traded-funds - foreign

(i) Exchange-traded-funds - foreign as at 30 November 2020 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
IShares Physical Gold ETC	79,741	2,330,648	2,773,392	2.42
IShares Core S&P 500 UCITS ETF	52,284	13,672,301	18,963,407	16.57
IShares MSCI Jp USD Hdgd UCITS ETF	100,120	3,523,526	4,044,848	3.54
IShares Edge MSCI USA	773,100	4,800,135	6,861,262	6.00
Total collective investment schemes - foreign	<u>1,005,245</u>	<u>24,326,610</u>	<u>32,642,909</u>	<u>28.53</u>
Accumulated unrealised gain on exchange-traded-funds - foreign		<u>8,316,299</u>		
Total exchange-traded-funds - foreign		<u>32,642,909</u>		

(ii) Exchange-traded-funds - foreign as at 30 November 2019 are as follows:

<u>Name of counter</u>	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
IShares Physical Gold ETC	44,530	1,217,906	1,276,452	0.77
IShares Core S&P 500 UCITS	83,624	21,702,115	26,100,723	15.82
IShares MSCI Japan UCITS USD	134,070	4,555,260	5,062,483	3.07
IShares MSCI USA Quality Dividend	487,950	16,249,939	18,073,668	10.96
IS TRSRY BD 20+YR UCITS USD DIST	1,542,050	7,528,404	8,140,482	4.94
Total collective investment schemes - foreign	<u>2,292,224</u>	<u>51,253,624</u>	<u>58,653,808</u>	<u>35.56</u>
Accumulated unrealised gain on exchange-traded-funds - foreign		<u>7,400,184</u>		
Total exchange-traded-funds - foreign		<u>58,653,808</u>		

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 9 CASH AND CASH EQUIVALENTS

	<u>2020</u> USD	<u>2019</u> USD
Cash and cash equivalents	1,689,967	2,735,432
Deposits with licensed financial institutions	152,421	643,437
	<u>1,842,388</u>	<u>3,378,869</u>

Weighted average effective interest rates per annum of deposits with licensed financial institutions are as follows:

	<u>2020</u>	<u>2019</u>
Deposits with licensed financial institutions	1.75	3.05

Deposits with licensed financial institutions of the Fund have an average maturity of 1 days (2019: 2 days).

#### 10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of unaudited statement of financial position, there are 58 (2019: 74) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD262,946,076.78 (2019:USD152,537,762.93) The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from denominated in Australian Dollar, Euro, Great British Pounds, Malaysian Ringgit and Singapore Dollar. As the Fund has not designated the forward contracts as part of a hedging relationship for hedge accounting purpose, the change in the fair value of the forward foreign currency contract is recognised immediately in profit or loss.

#### 11 NUMBER OF UNITS IN CIRCULATION

(a) AUD Hedged-class units in circulation

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial period	51,171,000	60,849,000
Creation of units arising from applications	2,701,000	4,789,000
Cancellation of units	(15,428,000)	(12,473,000)
At the end of the financial period	<u>38,444,000</u>	<u>53,165,000</u>



# AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

### 11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

#### (b) EUR Hedged-class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	964,000	814,000
Creation of units arising from applications	925,000	199,000
Cancellation of units	(625,000)	(70,000)
At the end of the financial period	<u>1,264,000</u>	<u>943,000</u>

#### (c) GBP Hedged-class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	18,151,000	28,320,000
Creation of units arising from applications	1,427,000	2,266,000
Cancellation of units	(4,244,000)	(10,011,000)
At the end of the financial period	<u>15,334,000</u>	<u>20,575,000</u>

#### (d) MYR Hedged-class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	598,320,000	967,480,000
Creation of units arising from applications	8,429,000	5,267,000
Creation of units arising from distribution	-	716,889
Cancellation of units	(182,384,000)	(257,873,889)
At the end of the financial period	<u>424,365,000</u>	<u>715,590,000</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

##### (e) SGD Hedged-class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	20,404,000	29,350,000
Creation of units arising from applications	2,553,000	938,000
Cancellation of units	(5,341,000)	(5,909,000)
At the end of the financial period	<u>17,616,000</u>	<u>24,379,000</u>

##### (f) USD Class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	17,569,000	29,502,000
Creation of units arising from applications	1,227,000	1,392,000
Creation of units arising from distributions	-	46,063
Cancellation of units	(7,501,000)	(9,488,063)
At the end of the financial period	<u>11,295,000</u>	<u>21,452,000</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 12 TRANSACTIONS WITH BROKERS

(a) Details of transaction with brokers for 6 months financial period ended 30 November 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %	<u>Brokerage</u> <u>fee</u> USD	<u>Percentage of</u> <u>brokerage fee</u> %
BlackRock Investment Management Company	83,521,206	82.40	-	-
Sanford C. Bernstein Ltd. London	7,009,209	6.92	7,916	40.86
Macquarie Capital (Europe) Ltd	4,620,651	4.56	2,310	11.92
Cantor Fitzgerald Europe	4,449,558	4.39	8,899	45.94
Deutsche Bank (Malaysia) Bhd	1,350,000	1.33	-	-
Credit Lyonnais Sec. USA Inc	411,637	0.40	247	1.28
	<u>101,362,261</u>	<u>100.00</u>	<u>19,372</u>	<u>100.00</u>

(b) Details of transaction with brokers for 6 months financial period ended 30 November 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %	<u>Brokerage</u> <u>fee</u> USD	<u>Percentage of</u> <u>brokerage fee</u> %
BlackRock Investment Management Company	54,364,282	64.87	-	-
Sanford C. Bernstein Ltd	12,969,088	15.47	25,938	51.44
Cantor Fitzgerald Europe	8,301,139	9.90	16,602	32.93
Macquarie Capital (Europe) Ltd	7,881,970	9.40	7,882	15.63
Deutsche Bank (Malaysia) Bhd	294,595	0.35	-	-
	<u>83,811,074</u>	<u>100.00</u>	<u>50,422</u>	<u>100.00</u>

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad (“ABB”)	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager
Director of Affin Hwang Asset Management Berhad	Director of the Manager

The units held by the Manager and party related to the Manager as at the end of the financial period are as follows:

	<u>2020</u>		<u>2019</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)				
- AUD Hedged-class	2,992	1,343	3,839	1,506
- EUR Hedged-class	2,958	1,919	2,906	1,654
- GBP Hedged-class	2,652	1,986	3,606	2,494
- MYR Hedged-class	3,508	575	3,302	490
- SGD Hedged-class	3,437	1,592	3,172	1,352
- USD Class	3,518	2,237	2,823	1,671

## AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)

#### 14 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended 30.11.2020 %	6 months financial period ended 30.11.2019 %
MER	0.70	0.68

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E) \times 100}{F}$$

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses, excluding sales and services tax on transaction costs
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD 125,294,784 (2019: USD183,337,220).

#### 15 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended 30.11.2020	6 months financial period ended 30.11.2019
PTR (times)	0.39	0.22

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where: total acquisition for the financial period = USD35,266,712 (2019: USD16,957,815)  
total disposal for the financial period = USD63,014,910 (2019: USD64,853,243)

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2020 (CONTINUED)**

#### **16 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

## **AFFIN HWANG WORLD SERIES – GLOBAL BALANCED FUND**

### **STATEMENT BY THE MANAGER**

I, Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion as the Manager, the financial statements set out on pages 1 to 40 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 November 2020 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period ended 30 November 2020 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**AFFIN HWANG ASSET MANAGEMENT BERHAD**

**TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
15 January 2021

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

Affin Hwang Asset Management Berhad  
Ground Floor  
Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

Tel : 03 – 2116 6000  
Fax : 03 – 2116 6100  
Toll free no : 1-800-88-7080  
Email: [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com)

### **PENANG**

Affin Hwang Asset Management Berhad  
No. 10-C-24 Precinct 10  
Jalan Tanjung Tokong  
10470 Penang

Tel : 04 – 899 8022  
Fax : 04 – 899 1916

### **PERAK**

Affin Hwang Asset Management Berhad  
1, Persiaran Greentown 6  
Greentown Business Centre  
30450 Ipoh Perak

Tel : 05 – 241 0668  
Fax : 05 – 255 9696

### **MELAKA**

Affin Hwang Asset Management Berhad  
Ground Floor, No. 584, Jalan Merdeka  
Taman Melaka Raya  
75000 Melaka

Tel : 06 – 281 2890 / 3269  
Fax : 06 – 281 2937

### **JOHOR**

Affin Hwang Asset Management Berhad  
Unit 22-05, Level 22  
Menara Landmark  
No. 12, Jalan Ngee Heng  
80000 Johor Bahru  
Johor Darul Takzim

Tel : 07 – 227 8999  
Fax : 07 – 223 8998

### **SABAH**

Affin Hwang Asset Management Berhad  
Lot No. B-2-09, 2<sup>nd</sup> Floor  
Block B, Warisan Square  
Jalan Tun Fuad Stephens  
88000 Kota Kinabalu  
Sabah

Tel : 088 – 252 881  
Fax : 088 – 288 803



## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SARAWAK**

Affin Hwang Asset Management Berhad  
Ground Floor, No. 69  
Block 10, Jalan Laksamana Cheng Ho  
93200 Kuching  
Sarawak

Tel : 082 – 233 320  
Fax : 082 – 233 663

Affin Hwang Asset Management Berhad  
1<sup>st</sup> Floor, Lot 1291  
Jalan Melayu, MCLD  
98000 Miri  
Sarawak

Tel : 085 – 418 403  
Fax : 085 – 418 372

[www.affinhwangam.com](http://www.affinhwangam.com)

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)