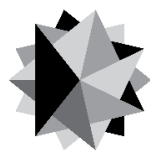


Affin Hwang World Series - Dividend Value Fund

Annual Report
31 March 2018

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



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 March 2018

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FUND INFORMATION

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

BREAKDOWN OF UNITHOLDERS BY RM CLASS SIZE AS AT 31 MARCH 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	0
5,001 to 10,000	1	8
10,001 to 50,000	3	146
50,001 to 500,000	90	11,722
500,001 and above	22	159,143
Total	117	171,019

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD CLASS SIZE AS AT 31 MARCH 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	6	192
50,001 to 500,000	8	1,654
500,001 and above	6	26,061
Total	20	27,907

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD CLASS SIZE AS AT 31 MARCH 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	7	193
50,001 to 500,000	9	2,276
500,001 and above	5	39,994
Total	21	42,463

** Note : Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SGD CLASS SIZE AS AT 31 MARCH 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	8	271
50,001 to 500,000	10	1,398
500,001 and above	7	26,199
Total	25	27,868

** Note : Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 Mar 2018 (%)	As at 31 Mar 2017 (%)	As at 31 Mar 2016 (%)
Portfolio composition			
Collective investment scheme	95.58	94.45	80.34
Cash and cash equivalent	4.42	5.55	19.66
Total	100.00	100.00	100.00

Currency class	RM Class	USD Class	AUD Class	SGD Class	RM Class	USD Class	AUD Class	SGD Class	RM Class	USD Class	AUD Class	SGD Class
Total NAV (million)	98.420	16.030	23.966	15.283	84.853	6.757	10.286	7.457	95.482	7.796	13.227	12.353
NAV per Unit (in respective currencies)	0.5755	0.5743	0.5644	0.5484	0.5717	0.4930	0.4886	0.5033	0.4475	0.4380	0.4328	0.4310
Unit in Circulation (million)	171.022	27.190	42.466	27.871	148.412	13.706	21.054	14.817	213.350	17.800	30.562	28.663
Highest NAV	0.6239	0.6103	0.5775	0.5829	0.5827	0.5024	0.4978	0.5131	0.5320	0.5000	0.5172	0.5000
Lowest NAV	0.5640	0.4889	0.4886	0.4989	0.4445	0.4188	0.4295	0.4191	0.4323	0.3963	0.4229	0.4040
Return of the Fund (%) ⁱⁱⁱ	2.15	18.32	17.36	10.71	28.00	12.80	13.13	17.02	-10.50	-12.40	-13.44	-13.80
- Capital Growth (%) ⁱ	0.66	16.49	15.51	8.96	27.75	12.56	12.89	16.77	-10.50	-12.40	-13.44	-13.80
- Income Distribution (%) ⁱⁱ	1.48	1.57	1.60	1.61	0.19	0.22	0.21	0.21	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	0.88	0.88	0.88	0.88	0.10	0.10	0.10	0.10	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	0.88	0.88	0.88	0.88	0.10	0.10	0.10	0.10	Nil	Nil	Nil	Nil
Management Expense Ratio (%) ¹		0.61				0.69				0.70		
Portfolio Turnover Ratio (times) ²		0.27				0.18				0.70		

¹The MER of the Fund was slightly lower than previous period due to higher average Net Asset Value for the financial year.

²The Fund recorded a higher PTR as the Manager had increased its 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

RM Class

Capital Returnⁱ	= (NAV per Unit @ 31/03/18 ÷ NAV per Unit @ 31/03/17* - 1) x 100 = (0.5755 ÷ 0.5717 - 1) x 100 = 0.66%
Income Return @ ex-date	= {Income distribution per Unit ÷ NAV per Unit on ex-date} + 1 = {0.00025 ÷ 0.5793 @ 20/06/17} + 1 = 1.0004 = {0.00100 ÷ 0.6014 @ 18/09/17} + 1 = 1.0017 = {0.00500 ÷ 0.5907 @ 12/12/17} + 1 = 1.0085 = {0.00250 ÷ 0.6028 @ 15/03/18} + 1 = 1.0041
Total Income Returnⁱⁱ	= [{Income Return @ ex-date x Income Return @ ex-date} – 1] x 100 = [{1.0004 x 1.0017 x 1.0085 x 1.0041} – 1] x 100 = 1.48%
Return of the Fundⁱⁱⁱ	= [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100 = [{(1 + 0.66%) x (1 + 1.48%)} – 1] x 100 = 2.15%

USD Class

Capital Returnⁱ	= (NAV per Unit @ 31/03/18 ÷ NAV per Unit @ 31/03/17* - 1) x 100 = (0.5743 ÷ 0.4930 - 1) x 100 = 16.49%
Income Return @ ex-date	= {Income distribution per Unit ÷ NAV per Unit on ex-date} + 1 = {0.00025 ÷ 0.5159 @ 20/06/17} + 1 = 1.0005 = {0.00100 ÷ 0.5477 @ 18/09/17} + 1 = 1.0018 = {0.00500 ÷ 0.5521 @ 12/12/17} + 1 = 1.0091 = {0.00250 ÷ 0.5863 @ 15/03/18} + 1 = 1.0043
Total Income Returnⁱⁱ	= [{Income Return @ ex-date x Income Return @ ex-date} – 1] x 100 = [{1.0005 x 1.0018 x 1.0091 x 1.0043} – 1] x 100 = 1.57%
Return of the Fundⁱⁱⁱ	= [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100 = [{(1 + 16.49%) x (1 + 1.57%)} – 1] x 100 = 18.32%

AUD Class

Capital Returnⁱ	= (NAV per Unit @ 31/03/18 ÷ NAV per Unit @ 31/03/17* - 1) x 100 = (0.5644 ÷ 0.4886 - 1) x 100 = 15.51%
Income Return @ ex-date	= {Income distribution per Unit ÷ NAV per Unit on ex-date} + 1 = {0.00025 ÷ 0.5126 @ 20/06/17} + 1 = 1.0005 = {0.00100 ÷ 0.5179 @ 18/09/17} + 1 = 1.0019 = {0.00500 ÷ 0.5538 @ 12/12/17} + 1 = 1.0090

$$= \{0.00250 \div 0.5643 @ 15/03/18\} + 1 = 1.0044$$

$$\begin{aligned} \text{Total Income Return}^{\text{ii}} &= \{[\text{Income Return @ ex-date} \times \text{Income Return @ ex-date}] - 1\} \times 100 \\ &= \{[1.0005 \times 1.0019 \times 1.0090 \times 1.0044] - 1\} \times 100 \\ &= \underline{\mathbf{1.60\%}} \end{aligned}$$

$$\begin{aligned} \text{Return of the Fund}^{\text{iii}} &= \{[(1 + \text{Capital Return}) \times (1 + \text{Income Return})] - 1\} \times 100 \\ &= \{[(1 + 15.51\%) \times (1 + 1.60\%)] - 1\} \times 100 \\ &= \underline{\mathbf{17.36\%}} \end{aligned}$$

SGD Class

$$\begin{aligned} \text{Capital Return}^{\text{i}} &= (\text{NAV per Unit @ 31/03/18} \div \text{NAV per Unit @ 31/03/17}^* - 1) \times 100 \\ &= (0.5484 \div 0.5033 - 1) \times 100 \\ &= \underline{\mathbf{8.96\%}} \end{aligned}$$

$$\begin{aligned} \text{Income Return @ ex-date} &= \{\text{Income distribution per Unit} \div \text{NAV per Unit on ex-date}\} + 1 \\ &= \{0.00025 \div 0.5221 @ 20/06/17\} + 1 = 1.0005 \\ &= \{0.00100 \div 0.5384 @ 18/09/17\} + 1 = 1.0019 \\ &= \{0.00500 \div 0.5450 @ 12/12/17\} + 1 = 1.0092 \\ &= \{0.00250 \div 0.5605 @ 15/03/18\} + 1 = 1.0045 \end{aligned}$$

$$\begin{aligned} \text{Total Income Return}^{\text{ii}} &= \{[\text{Income Return @ ex-date} \times \text{Income Return @ ex-date}] - 1\} \times 100 \\ &= \{[1.0005 \times 1.0019 \times 1.0092 \times 1.0045] - 1\} \times 100 \\ &= \underline{\mathbf{1.61\%}} \end{aligned}$$

$$\begin{aligned} \text{Return of the Fund}^{\text{iii}} &= \{[(1 + \text{Capital Return}) \times (1 + \text{Income Return})] - 1\} \times 100 \\ &= \{[(1 + 8.96\%) \times (1 + 1.60\%)] - 1\} \times 100 \\ &= \underline{\mathbf{10.71\%}} \end{aligned}$$

* Source – Deutsche Trustees Malaysia Berhad

Table 1: Performance of the Fund

RM Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	2.15%	17.03%
Benchmark	0.70%	15.42%
Outperformance / (Underperformance)	1.45%	1.61%

Source of Benchmark: Bloomberg

USD Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	18.32%	16.92%
Benchmark	15.42%	13.86%
Outperformance / (Underperformance)	2.90%	3.06%

Source of Benchmark: Bloomberg

AUD Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	17.36%	14.93%
Benchmark	14.82%	9.21%
Outperformance / (Underperformance)	2.54%	5.72%

Source of Benchmark: Bloomberg

SGD Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	10.71%	11.68%
Benchmark	8.31%	9.21%
Outperformance / (Underperformance)	2.40%	2.47%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

RM Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	2.15%	6.01%
Benchmark	0.70%	5.47%
Outperformance / (Underperformance)	1.45%	0.54%

Source of Benchmark: Bloomberg

USD Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	18.32%	5.97%
Benchmark	15.42%	4.94%
Outperformance / (Underperformance)	2.90%	1.03%

Source of Benchmark: Bloomberg

AUD Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	17.36%	5.30%
Benchmark	14.82%	3.32%
Outperformance / (Underperformance)	2.54%	1.98%

Source of Benchmark: Bloomberg

SGD Class

	1 Year (1/4/17 - 31/3/18)	Since Commencement (23/7/15 - 31/3/18)
Fund	10.71%	4.19%
Benchmark	8.31%	3.33%
Outperformance / (Underperformance)	2.40%	0.86%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

RM Class

	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (01/4/16 - 31/3/17)	FYE 2016 (23/7/15 - 31/3/16)
Fund	2.15%	28.00%	(10.50%)
Benchmark	0.70%	27.67%	(10.22%)
Outperformance / (Underperformance)	1.45%	0.33%	(0.28%)

Source of Benchmark: Bloomberg

USD Class

	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (01/4/16 - 31/3/17)	FYE 2016 (23/7/15 - 31/3/16)
Fund	18.32%	12.80%	(12.40%)
Benchmark	15.42%	11.75%	(11.72%)
Outperformance / (Underperformance)	2.90%	1.05%	(0.68%)

Source of Benchmark: Bloomberg

AUD Class

	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (01/4/16 - 31/3/17)	FYE 2016 (23/7/15 - 31/3/16)
Fund	17.36%	13.13%	(13.44%)
Benchmark	14.82%	12.11%	(15.16%)
Outperformance / (Underperformance)	2.54%	1.02%	1.72%

Source of Benchmark: Bloomberg

SGD Class

	FYE 2018 (01/4/17 - 31/3/18)	FYE 2017 (01/4/16 - 31/3/17)	FYE 2016 (23/7/15 - 31/3/16)
Fund	10.71%	17.02%	(13.80%)
Benchmark	8.31%	15.87%	(12.98%)
Outperformance / (Underperformance)	2.40%	1.15%	(0.82%)

Source of Benchmark: Bloomberg

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

MANAGER'S REPORT

Performance Review

RM Class

For the period under review from 1 April 2017 to 31 March 2018, the Fund – RM class registered a return of 2.15%. Compared to the benchmark return of 0.70%, the Fund thus outperformed the Benchmark by 1.45%. The Net Asset Value (“NAV”) per unit as at 31 March 2018 was RM0.5755 compared to the NAV as at 31 March 2017 was RM0.5717. The Fund has declared a gross income distribution of RM0.00875 per unit during the period under review.

USD Class

For the period under review from 1 April 2017 to 31 March 2018, the Fund – USD class registered a return of 18.32%. Compared to the benchmark return of 15.43%, the Fund thus outperformed the Benchmark by 2.90%. The Net Asset Value (“NAV”) per unit as at 31 March 2018 was USD0.5743 compared to the NAV as at 31 March 2017 was USD0.4930. The Fund has declared a gross income distribution of USD0.00875 per unit during the period under review.

AUD Class

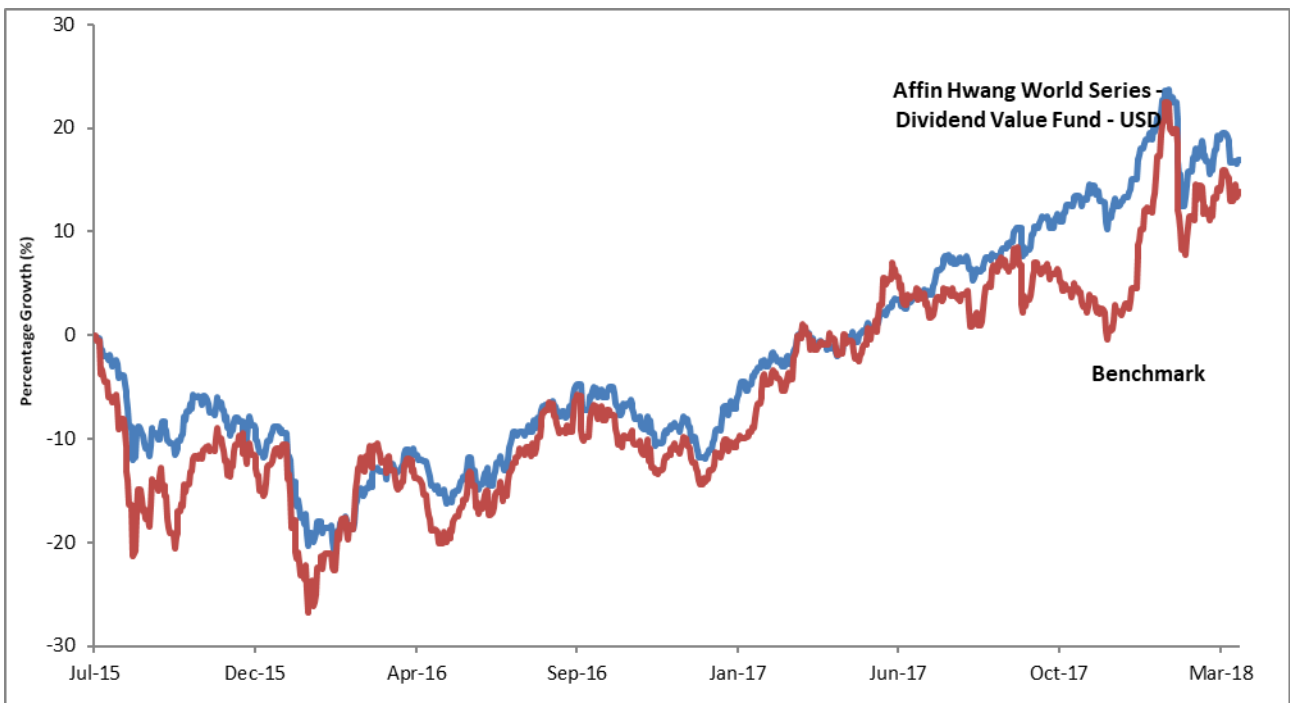
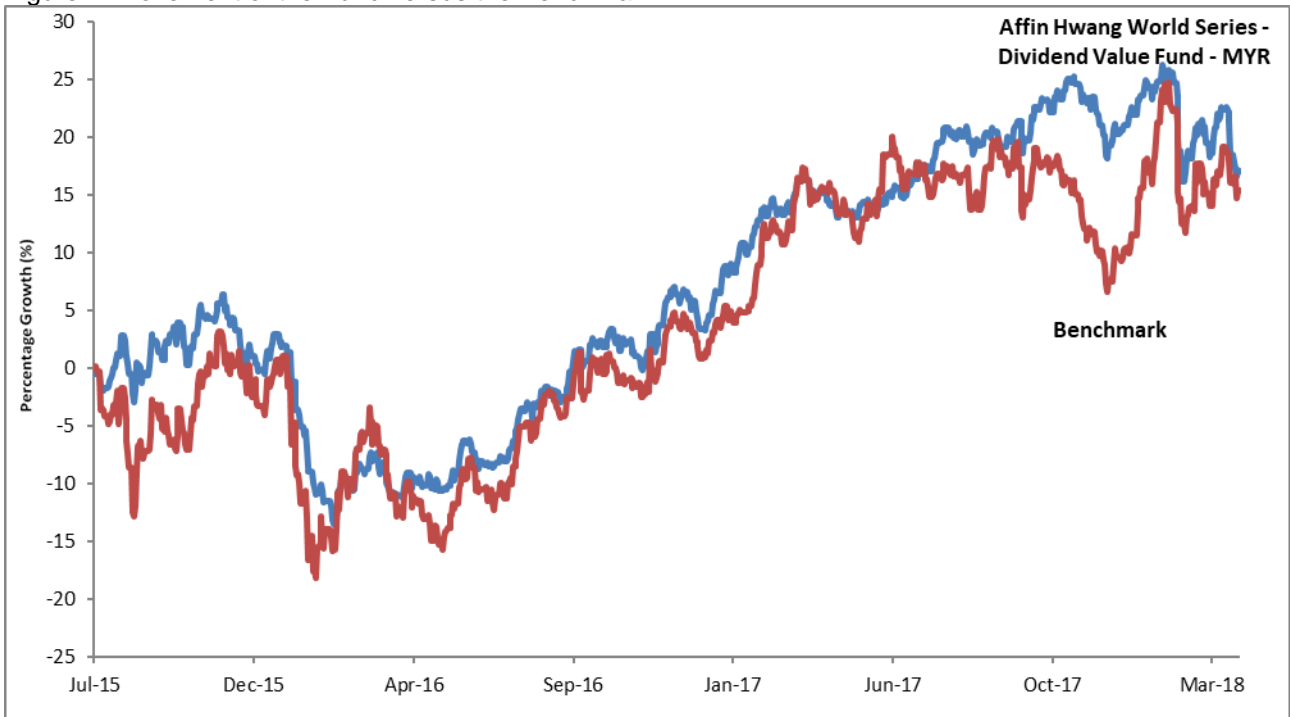
For the period under review from 1 April 2017 to 31 March 2018, the Fund – AUD class registered a return of 17.36%. Compared to the benchmark return of 14.82%, the Fund thus outperformed the Benchmark by 2.54%. The Net Asset Value (“NAV”) per unit as at 31 March 2018 was AUD0.5644 compared to the NAV as at 31 March 2017 was AUD0.4886. The Fund has declared a gross income distribution of AUD0.00875 per unit during the period under review.

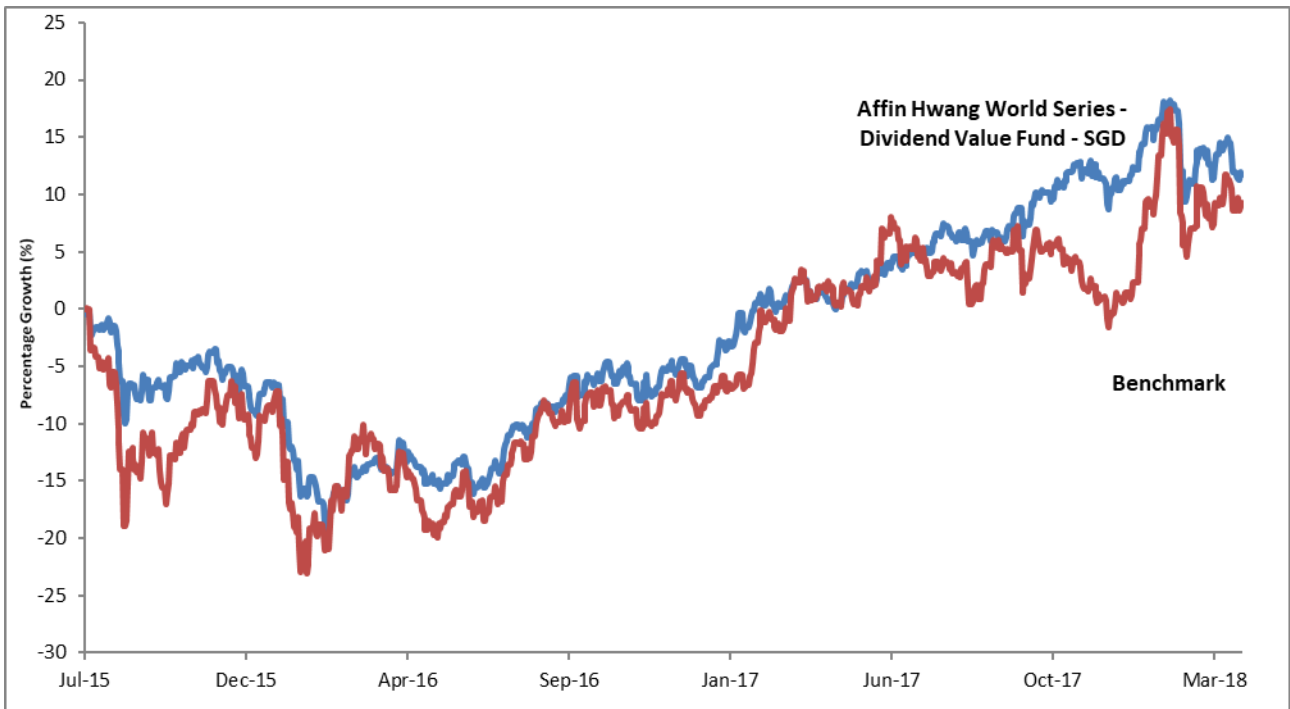
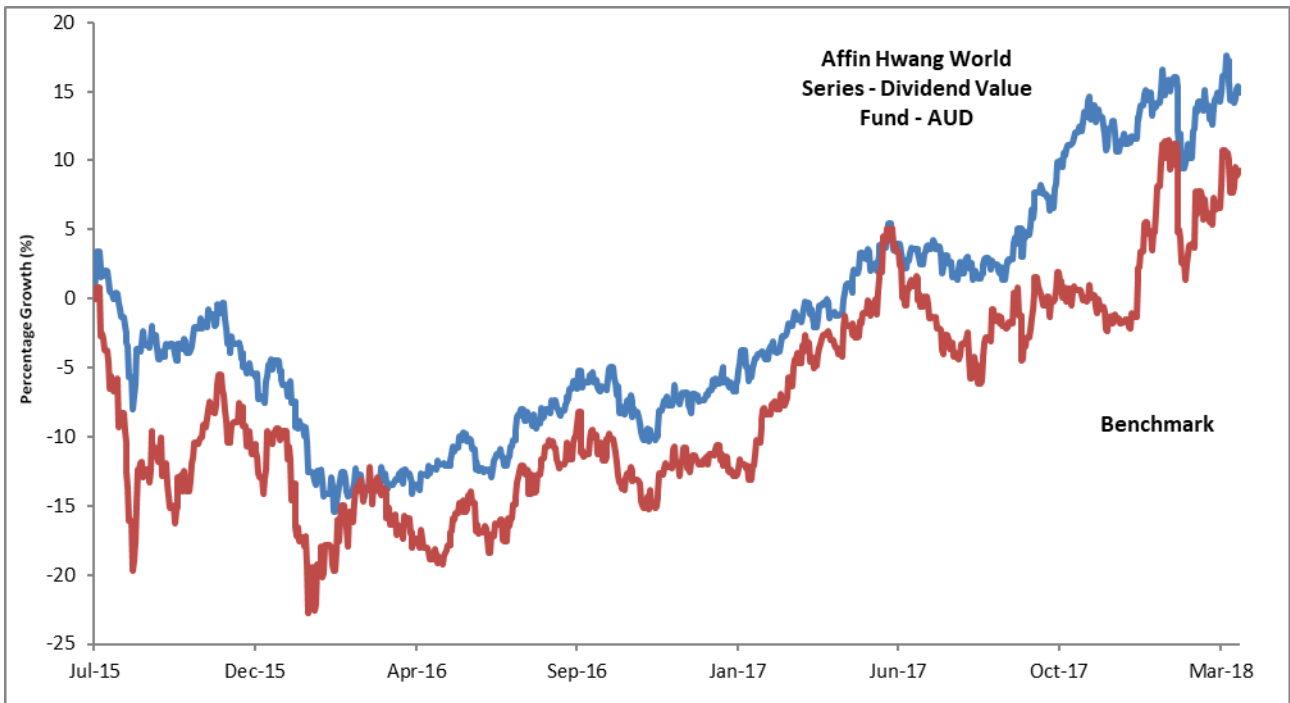
SGD Class

As for the SGD class, the Fund registered a return of 10.71%. Compared to the benchmark return of 8.31% during the performance under review, the Fund thus outperformed the Benchmark by 2.40%. The Net Asset Value (“NAV”) per unit as at 31 March 2018 was SGD0.5484 compared to the NAV per unit as 31 March 2017 was SGD0.5033. The Fund has declared a gross income distribution of SGD0.00875 per unit during the period under review.

The Fund has outperformed its Benchmark since commencement. As such, the Fund has met its objective of achieving capital appreciation over the medium to long-term horizon.

Figure 1: Movement of the Fund versus the Benchmark





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

Benchmark: Dow Jones Asia Select Dividend 30 Index

Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of RM0.00875 per Unit (for RM Class), USD0.00875 per Unit (for USD Class), AUD0.008765 per Unit (for AUD Class), and SGD0.00875 per Unit (for SGD Class) to investors of the Affin Hwang World Series – Dividend Value Fund during the period under review.

The NAV per Unit prior and subsequent to the distribution was as follows:-

RM Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19 Jun 2017	20 Jun 2017	0.5772	0.00025	0.5793
15 Sep 2017	18 Sep 2017	0.5968	0.00100	0.6014
11 Dec 2017	12 Dec 2017	0.5968	0.00500	0.5907
14 Mar 2018	15 Mar 2018	0.6009	0.00250	0.6028

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
19 Jun 2017	20 Jun 2017	0.5149	0.00025	0.5159
15 Sep 2017	18 Sep 2017	0.5435	0.00100	0.5477
11 Dec 2017	12 Dec 2017	0.5585	0.00500	0.5521
14 Mar 2018	15 Mar 2018	0.5866	0.00250	0.5863

AUD Class

Cum Date	Ex-Date	Cum-distribution (AUD)	Distribution per Unit (AUD)	Ex-distribution (AUD)
19 Jun 2017	20 Jun 2017	0.5133	0.00025	0.5126
15 Sep 2017	18 Sep 2017	0.5130	0.00100	0.5179
11 Dec 2017	12 Dec 2017	0.5619	0.00500	0.5538
14 Mar 2018	15 Mar 2018	0.5637	0.00250	0.5643

SGD Class

Cum Date	Ex-Date	Cum-distribution (SGD)	Distribution per Unit (SGD)	Ex-distribution (SGD)
19 Jun 2017	20 Jun 2017	0.5202	0.00025	0.5221
15 Sep 2017	18 Sep 2017	0.5337	0.00100	0.5384
11 Dec 2017	12 Dec 2017	0.5508	0.00500	0.5450
14 Mar 2018	15 Mar 2018	0.5616	0.00250	0.5605

No unit splits were declared for the financial year ended 31 March 2018.

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset allocation of the Fund

	<u>31 Mar 2018</u>	<u>31 Mar 2017</u>	<u>31 Mar 2016</u>
	(%)	(%)	(%)
Collective investment scheme	95.58	94.45	80.34
Cash & cash equivalent	4.42	5.55	19.66
Total	100.00	100.00	100.00

As at 31 March 2017, the asset allocation of the Fund's exposure to the collective investment scheme stood at 95.58% of the Fund's NAV, while the balance was held in cash and cash equivalent.

Strategies Employed

Value Partners High-Dividend Stock Fund returned **+19.8%** in the period while the reference index, MSCI AC Asia (ex-Japan) Total Return Index, returned **+25.8%**.

While the Fund delivered a strong absolute performance, 2017 was a challenging year for dividend-focused investors as high-growth sectors such as internet/software remained in vogue. In 2017, dividend yield was one of the largest performance detractors in Asia, while earnings revision, momentum and growth were strong positive drivers. During the year, the team thought hard about our core beliefs and whether it would be worthwhile to tilt our positions to a greater focus on growth. The portfolio has been adjusted to be more cyclical in nature, with elevated exposure to strong performers such as information technology (hardware manufacturers), industrials and real estate. We have, however, stopped short of investing in non-yielding names. We believe that it is critical to remain faithful to our investment style and the approach adopted since the Fund's inception.

The fund remained fully invested in 2017, and our largest geographic exposures – China and Korea – led the region with sustained earnings growth. Our bottom-up stock picks favoured North Asia, with key sector exposures being technology hardware and financials, where we discovered quality names with sustained earnings growth and strong free cash flow generation ability at compelling valuations. We maintained our underweight position in South Asia due to the mixed earnings outlook and demanding valuations. We maintained the portfolio dividend yield at above 4%. In terms of performance attribution, Hong Kong/China and Korea were the top country contributors, while technology hardware and financials were the top sector performers. The key detractor mainly came from our minimal exposure to the internet sector. But with two of the top three performers on the MSCI Asia ex Japan Index trading at over 30 times price to earnings (P/E) and paying almost zero dividends, we continue to believe they are unfit for our dividend strategy.

Despite a strong month in January, the first quarter of 2018 was an event-packed quarter driven by expectations of a faster pace of interest rate hikes in the US, as well as heightened trade tensions between the US and China. The spike in market volatility later in the quarter has offset most of the gains recorded in January. In the quarter, we maintained our core positions in North Asia, where we found compelling opportunities in light of a positive growth outlook, particularly in the Greater China region. We increased the cash level of the portfolio in the later part of the quarter as market sentiment soured and the Sino-US trade war escalated. The Fund's cash level increased intra-month to 4% in March to reflect our near-term cautionary stance as market volatility spiked. From a performance attribution perspective, the Hong Kong and China market contributed the most on a regional level. In this market, our exposures in the real estate sector performed the best. Our portfolio was also supported by the majority of our exposures to financials, such as Chinese and Korean banks and financial leasing companies. On the flip side, although we have further reduced our exposure to South Korea's technology hardware sector, such holdings still weighed on our portfolio during the quarter.

Market Review

China

In 2017, deleveraging and risk control remain was a key policy focus in China, as evidenced by the tightening of local government financing after the 19th Party Congress. Although there are concerns that the continued moderation of growth may weigh on market performance, we believe the tightening measures are necessary for China to achieve healthier and higher quality growth in the longer run. We also believe these worries are unfounded because China is entering a new economic cycle where index performance decouples from gross domestic product (GDP) growth. Traditionally, China's GDP growth is highly correlated with its stock market: between 2009 and 2012, the 5-year correlation between GDP growth and the performance of the MSCI China Index stayed consistently above 0.81. However, the correlation has dropped significantly since 2014 as the influence of sector- and company specific micro factors, such as industry consolidation, supply side reform and increasing R&D spending, gradually outweighed that of macroeconomic trends. As such, an investment approach that puts emphasis on corporate fundamentals is more important than ever for realizing investment opportunities in China's new cycle.

In 2018, just as signs of market stabilization returned in late February, escalating Sino-US trade tensions disrupted the market again in the latter half of the first quarter. Near-term market sentiment suffered as uncertainties surrounding the trade dispute grew in light of the unpredictability of Trump's policies. If the current proposed tariffs on US\$50 billion worth of goods were to be implemented, Chinese exports to America are expected to decrease by 1.6%, which is equivalent to just 0.4% of total Chinese exports. Therefore, the impact on China's economic growth will likely be insignificant – gross domestic product (GDP) growth will fall by only less than a tenth of a percentage point. This assumes that exports are relatively inelastic to the impact of tariffs due to the difficulties of finding cheaper alternatives. Trump's latest threat to extend tariffs to cover an additional US\$100 billion worth of Chinese goods is still manageable in the context of China's economy.

On the political front, President Xi Jinping has succeeded in further consolidating power after the 13th National People's Congress(NPC) in March 2018 endorsed the removal of a presidential term limit in China. The development essentially ushers in a lengthy period of strong and stable leadership. We believe Xi's power will enable smoother implementation of major policies to drive reforms and rein in financial risks. By clearing away political uncertainties, the administration can focus on policy execution after the NPC.

Korea

In South Korea, the economy benefited from recovering exports in 2017. For the whole year, the nation's exports expanded to a record high of US\$573.9 billion³, up by 15.8% compared to 2016. While the government is expecting modest export growth of 4% in 2018, downside risks such as the won's strength and rising interest rates and oil prices remain. Meanwhile, South Korea's consumer price index (CPI) rose 1.5% in December from a year ago to notch its highest reading in three months although the pace of growth was still modest.

In 2018, South Korea's economy maintained a moderate pace of expansion on the back of export demand and consumption. In March, exports in USD value terms grew by 6.1%² year-on-year – recording the 17th month of increase – thanks to supportive demand for memory chips and computers across China and Europe, while shipments to the US fell amid rising protectionism. Meanwhile, the March consumer price index increased 1.3% from a year earlier, well below the Bank of Korea's target of 2% and moderately below the market consensus. As such, the central bank left its interest rate policy unchanged in the April meeting.

Taiwan

The Taiwan market delivered a strong finish to 2017. Export recovery was the key highlight, as December exports surged 14.8% year-on-year to a record high. The pace of growth was well above the expected 10.9%.The surge in exports was largely driven by robust global demand for technology products, namely semiconductors and consumer electronic goods. As a result, total exports were up 13.2% year-on-year in 2017, reversing a 2-year decline and recording its strongest growth since 2010. December PMI rose further to 56.65 (the highest reading since April 2011), supporting the government's upward revision of its 2017 GDP growth estimate (from 2.1% to 2.6%) in November.

In the first quarter of 2018, Taiwan's economy continued to exhibit strength on the back of synchronized global growth and recorded 3.3% year-on-year GDP growth for the fourth quarter of 2017. This was above

the consensus estimate (2.5%) and drove an upward revision of 2017 official GDP growth to 2.86% (November estimate: 2.58%), the highest in 3 years. Meanwhile, given the prospect of steady global growth providing fuel for export growth, the government has also revised up its 2018 GDP growth target from 2.29% in November 2017 to 2.42%. Taiwan's exports remained resilient in the first quarter of 2018. It went up 10.6% year-on-year, which marks the sixth consecutive quarter of double-digit growth. Data related to Taiwan's export destinations were also encouraging. There was growth across all regions, with Hong Kong and China exhibiting a notable 14.3% year-on-year growth pace. Despite concerns about US protectionism, the Taiwanese government remains optimistic about demand for electronic goods and Internet of things (IOT) in 2018.

Investment Outlook

While market volatility returned in the first quarter of 2018 after a stable 2017, the outlook for our Asia ex-Japan dividend strategy remains positive; we believe the market's recent sideways movement was sentiment driven rather and does not reflect a negative shift in fundamentals. Firstly, the Asia ex-Japan market's earnings uptrend remains intact, with 13.5% year-on-year growth expected in 2018, which bodes well for a potential increase in corporate dividend payouts (about 30% in Asia ex-Japan vs. 40-70% in the US and Europe). Secondly, the recent risk off on the back of tariffs-related news flow brought the region's 12-month forward price-to-earnings (P/E) ratio back to its 10-year average of 13 times, which appears attractive compared to that of developed markets such as the US (16.9 times P/E). Lastly, with respect to the normalization of interest rates in the US, the early phase of the Fed's rate hike cycle has been positive for equities in the last 2 cycles as it reaffirms accelerating growth in the US economy. This should provide support for the risk-on environment and regional equities as notable earnings improvement was observed in the early stage of previous rate hike cycles.

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.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND

We have acted as Trustee for Affin Hwang World Series – Dividend Value Fund (the “Fund”) for the financial year ended 31 March 2018. To the best of our knowledge, for the financial year under review, Affin Hwang Asset Management Berhad (“the Manager”), has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission’s Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund has been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund have been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements.

We are of the view that the distributions made during this financial year ended 31 March 2018 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
18 May 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
INVESTMENT INCOME			
Dividend income		2,524,976	2,250,078
Interest income from deposits with licensed financial institutions		8,643	6,496
Net gain on foreign currency exchange		25,826	19,804
Net gain on financial assets at fair value through profit or loss	8	6,254,370	3,241,498
Rebate of management fee	4	666,920	496,452
		<u>9,480,735</u>	<u>6,014,328</u>
EXPENSES			
Management fee	4	(914,731)	(727,243)
Trustee fee	5	(22,175)	(17,630)
Auditors' remuneration		(1,694)	(1,928)
Tax agent's fee		(880)	(952)
Other expenses		(66,738)	(52,463)
		<u>(1,006,218)</u>	<u>(800,216)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		8,474,517	5,214,112
FINANCE COST			
Distributions	6	(953,871)	(88,540)
NET PROFIT BEFORE TAXATION		7,520,646	5,125,572
TAXATION	7	-	-
INCREASE IN NET ASSET ATTRIBUTABLE TO UNITHOLDERS		<u>7,520,646</u>	<u>5,125,572</u>
Increase of net asset attributable to unitholders Is made up of the following:			
Realised amount		1,513,256	1,302,341
Unrealised amount		6,007,390	3,823,231
		<u>7,520,646</u>	<u>5,125,572</u>

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

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
ASSETS			
Financial assets at fair value through profit or loss	8	68,466,644	36,966,496
Cash and cash equivalents	9	2,196,884	2,241,458
Dividend receivables		262,189	144,003
Amount due from Manager			
- creation of units		1,226,168	254,103
Rebate of management fee receivable		71,973	38,825
TOTAL ASSETS		<u>72,223,858</u>	<u>39,644,885</u>
LIABILITIES			
Amount due to Manager			
- management fee		98,837	54,478
- cancellation of units		474,590	436,776
Amount due to Trustee		2,396	1,321
Auditors' remuneration		1,809	3,918
Tax agent's fee		2,123	2,311
Other payables and accruals		8,398	5,320
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)		<u>588,153</u>	<u>504,124</u>
NET ASSET VALUE OF THE FUND		<u>71,635,705</u>	<u>39,140,761</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>71,635,705</u>	<u>39,140,761</u>

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

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Class		18,452,245	7,864,405
- RM Class		25,484,322	19,184,609
- SGD Class		11,669,497	5,334,524
- USD Class		16,029,641	6,757,223
		<u>71,635,705</u>	<u>39,140,761</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Class	10	42,466,000	21,054,000
- RM Class	10	171,022,000	148,412,000
- SGD Class	10	27,871,000	14,817,000
- USD Class	10	27,910,000	13,706,000
		<u>269,269,000</u>	<u>197,989,000</u>
NET ASSET VALUE PER UNIT			
- AUD Class		0.4345	0.3735
- RM Class		0.1490	0.1293
- SGD Class		0.4187	0.3600
- USD Class		0.5743	0.4930
		<u>0.5743</u>	<u>0.4930</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Class		AUD 0.5644	AUD 0.4886
- RM Class		RM 0.5755	RM 0.5717
- SGD Class		SGD 0.5484	SGD 0.5033
- USD Class		USD 0.5743	USD 0.4930
		<u>0.5743</u>	<u>0.4930</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<u>2018</u> USD	<u>2017</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	39,140,761	51,602,522
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	47,211,323	7,491,560
- AUD Class	12,184,279	1,411,420
- RM Class	11,691,839	2,389,821
- SGD Class	8,198,203	463,314
- USD Class	15,137,002	3,227,005
Creation of units arising from distributions	689,286	87,583
- AUD Class	143,457	17,620
- RM Class	229,446	41,008
- SGD Class	106,072	13,318
- USD Class	210,311	15,637
Cancellation of units	(22,926,311)	(25,166,476)
- AUD Class	(3,373,534)	(4,710,763)
- RM Class	(8,790,623)	(10,212,423)
- SGD Class	(3,045,581)	(5,069,306)
- USD Class	(7,716,573)	(5,173,984)
Net increase in net assets attributable to unitholders during the financial year	7,520,646	5,125,572
- AUD Class	1,633,638	1,002,343
- RM Class	3,169,051	2,471,165
- SGD Class	1,076,279	759,691
- USD Class	1,641,678	892,373
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>71,635,705</u></u>	<u><u>39,140,761</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		2,599,222	11,705,095
Purchase of investments		(27,845,000)	(3,975,000)
Dividends received		2,406,790	2,312,317
Interest received		8,643	6,496
Rebate on management fee received		633,772	500,720
Management fee paid		(870,372)	(742,563)
Trustee fee paid		(21,100)	(18,001)
Payment for other fees and expenses		(68,531)	(53,283)
Net realised gain on foreign currency exchange		27,491	21,755
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities		(23,129,085)	9,757,536
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		46,239,258	7,460,053
Payments for cancellation of units		(22,888,497)	(25,030,567)
Payments for distributions		(264,585)	(957)
		<hr/>	<hr/>
Net cash generated from/(used in) financing activities		23,086,176	(17,571,471)
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(42,909)	(7,813,935)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(1,665)	(1,951)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		2,241,458	10,057,344
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	2,196,884	2,241,458
		<hr/> <hr/>	<hr/> <hr/>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 ("MFRS") and International Financial Reporting Standards ("IFRS").

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 year. 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 L.

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 April 2017:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'.

The adoption of these amendments did not have any impact on the current year and is not likely to affect future years.

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows:

(i) Financial year beginning on/after 1 April 2018

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows: (continued)

(i) Financial year beginning on/after 1 April 2018 (continued)

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund has reviewed its financial assets and liabilities and does not expect any impact from the adoption of the new standard on 1 April 2018.

There will be no impact on the Fund's accounting for financial assets as the Fund's equity investments currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Fund does not have any such liabilities.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.

B INCOME RECOGNITION

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

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

For collective investment schemes ("CIS"), 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

C DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as 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.

D 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 year.

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

E 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, which is the Fund's functional and presentation currency.

F 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 statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund designates its investment in collective investments scheme as financial assets at fair value through profit or loss.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loan and receivables comprise cash and cash equivalents, dividend receivables and amount due from Manager.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to Manager, amount due to Trustee, auditors' remuneration, tax agent's fee and other payables and accruals as other financial liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

G 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 139, 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.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Investment in collective investment schemes is valued at the last published NAV per unit at the date of the statement of financial position.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the deposit.

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

(iii) Impairment

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances 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.

I CREATION AND CANCELLATION OF UNITS

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

The Fund issues cancellable units, in four classes of units, known respectively as the AUD class, RM class, SGD class and USD class, which are cancelled at the unitholder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission's (SC) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. 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 NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

J INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

K SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

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 SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement 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 cash is denominated in USD for the purpose of making settlement of the foreign trades.
- ii) Significant portion of the Fund's expenses are denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang World Series - Dividend Value Fund (the "Fund") (formerly known as Affin Hwang Dividend Value Fund) pursuant to the execution of a Deed dated 8 May 2015. The Fund has changed its name from Affin Hwang Dividend Value Fund to Affin Hwang World Series – Dividend Value Fund as amended by the Second Supplemental Deed dated 3 August 2016 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") and the registered unitholders of the Fund.

The Fund commenced operations on 23 July 2015 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in any of 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) Collective investment scheme;
- (b) Money market instruments;
- (c) Fixed deposits with financial institutions;
- (d) Derivatives;
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund objective.

All investments will be subjected to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deeds and the objective of the Fund.

The main objective of the Fund is to achieve capital appreciation over medium to long term period.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust 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 18 May 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	<u>Loans and receivables</u> USD	<u>Financial assets at at fair value through profit or loss</u> USD	<u>Total</u> USD
<u>2018</u>				
Collective investment scheme	8	-	68,466,644	68,466,644
Cash and cash equivalents	9	2,196,884	-	2,196,884
Dividend receivables		262,189	-	262,189
Amount due from Manager				
- creation of units		1,226,168	-	1,226,168
Rebate of management fee receivable		71,973	-	71,973
Total		<u>3,757,214</u>	<u>68,466,644</u>	<u>72,223,858</u>
<u>2017</u>				
Collective investment scheme	8	-	36,966,496	36,966,496
Cash and cash equivalents	9	2,241,458	-	2,241,458
Dividend receivables		144,003	-	144,003
Amount due from Manager				
- creation of units		254,103	-	254,103
Rebate of management fee receivable		38,825	-	38,825
Total		<u>2,678,389</u>	<u>36,966,496</u>	<u>39,644,885</u>

All current liabilities are financial liabilities which are carried at amortised cost.

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 Unlisted Capital Market Products under the Lodge and Launch Framework.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

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

Market risk (continued)

(a) Price risk (continued)

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

	<u>2018</u> USD	<u>2017</u> USD
Collective investment scheme		
Collective investment schemes designated at fair value through profit or loss	68,466,644	36,966,496

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 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% change in price</u>	<u>Market value</u> USD	Impact on profit after tax/NAV USD
<u>2018</u>		
-5%	65,043,312	(3,423,332)
0%	68,466,644	-
+5%	71,889,976	3,423,332
<u>2017</u>		
-5%	35,118,171	(1,848,325)
0%	36,966,496	-
+5%	38,814,821	1,848,325

(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 deposit placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on a short term basis.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

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

Market risk (continued)

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movements against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the 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:

	<u>Cash and cash equivalents</u> USD	<u>Other assets*</u> USD	<u>Other payables**</u> USD	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>2018</u>					
Australian Dollar	48,466	908,050	(43,255)	(18,452,245)	(17,538,984)
Malaysian Ringgit	211,274	108,206	(323,622)	(25,484,322)	(25,488,464)
Singapore Dollar	82,836	38,463	(58,397)	(11,669,497)	(11,606,595)
	<u>342,576</u>	<u>1,054,719</u>	<u>(425,274)</u>	<u>(55,606,064)</u>	<u>(54,634,043)</u>
<u>2017</u>					
Australian Dollar	103,087	17,408	(67,335)	(7,864,405)	(7,811,245)
Malaysian Ringgit	245,063	215,701	(292,572)	(19,184,609)	(19,016,417)
Singapore Dollar	71,195	20,994	(84,615)	(5,334,524)	(5,326,950)
	<u>419,345</u>	<u>254,103</u>	<u>(444,522)</u>	<u>(32,383,538)</u>	<u>(32,114,612)</u>

* Other assets consist of amount due from Manager.

**Other payables consist of amount due to Manager, auditor's remuneration, tax agent's fee and other payable and accruals.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (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 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 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 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in <u>price</u> %	Impact on profit <u>after tax/ NAV</u> USD
<u>2018</u>		
Australian Dollar	+/- 5	+/- 876,949
Malaysian Ringgit	+/- 5	+/- 1,274,423
Singapore Dollar	+/- 5	<u>+/- 580,330</u>
<u>2017</u>		
Australian Dollar	+/- 5	+/- 390,562
Malaysian Ringgit	+/- 5	+/- 950,821
Singapore Dollar	+/- 5	<u>+/- 266,348</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

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

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.

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.

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>2018</u>			
Amount due to Manager			
- management fees	98,837	-	98,837
- cancellation of units	474,590	-	474,590
Amount due to Trustee	2,396	-	2,396
Auditors' remuneration	-	1,809	1,809
Tax agent fee	-	2,123	2,123
Other payables and accruals	6,074	2,324	8,398
Net assets attributable to unitholders	71,635,705	-	71,635,705
	<u>72,217,602</u>	<u>6,256</u>	<u>72,223,858</u>
<u>2017</u>			
Amount due to Manager			
- management fees	54,478	-	54,478
- cancellation of units	436,776	-	436,776
Amount due to Trustee	1,321	-	1,321
Auditors' remuneration	-	3,918	3,918
Tax agent fee	-	2,311	2,311
Other payables and accruals	3,347	1,973	5,320
Net assets attributable to unitholders	39,140,761	-	39,140,761
	<u>39,636,683</u>	<u>8,202</u>	<u>39,644,885</u>

Outstanding units are redeemed on demand at the unitholder's 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 unitholders of these instruments typically retain them for the medium to long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (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 Unlisted Capital Market Products under the Lodge and Launch Framework.

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

	<u>Cash and cash equivalents</u> USD	<u>Other assets*</u> USD	<u>Total</u> USD
<u>2018</u>			
Financials			
- AAA	207,216	-	207,216
- AA1	1,989,668	-	1,989,668
Others			
- NR	-	1,560,330	1,560,330
	<u>2,196,884</u>	<u>1,560,330</u>	<u>3,757,214</u>
<u>2017</u>			
Financials			
- AAA	240,518	-	240,518
- AA1	2,000,940	-	2,000,940
Others			
- NR	-	436,931	436,931
	<u>2,241,458</u>	<u>398,106</u>	<u>2,678,389</u>

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

The Fund's financial assets are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

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

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)

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (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:

<u>2018</u>	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
Financial assets at fair value through profit or loss - collective investment scheme	68,466,644	-	-	68,466,644
	<u>68,466,644</u>	<u>-</u>	<u>-</u>	<u>68,466,644</u>
<u>2017</u>				
Financial assets at fair value through profit or loss - collective investment scheme	36,966,496	-	-	36,966,496
	<u>36,966,496</u>	<u>-</u>	<u>-</u>	<u>36,966,496</u>

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

- (ii) The carrying values of cash and cash equivalents, dividend receivables, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

4 MANAGEMENT FEE

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

For the financial year ended 31 March 2018, the management fee is recognised at a rate of 1.65% (2017: 1.65%) per annum on the NAV of the Fund, calculated on a daily basis. A portion of this fee is paid to Value Partners Limited, the Fund Manager of Value Partners High-Dividend Stocks Fund.

As this Fund invest in units of Value Partners High-Dividend Stocks Fund, any management fee charged to Value Partners High-Dividend Stocks Fund are fully refunded to this Fund. Accordingly, there is no double charging of management fee.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

5 TRUSTEE FEE

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

For the financial year ended 31 March 2018, the Trustee's fee is recognised at a rate of 0.04% (2017: 0.04%) 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

2018 2017
USD USD

Distribution to unitholders is from the following sources:

Dividend income	-	36,033
Prior year's realised income	1,240,033	79,069
	1,240,033	115,102
Gross realised income	(286,162)	(26,562)
Less: Expenses	953,871	88,540
Net distribution amount		

	<u>Gross/net distribution per unit (sen)</u>			
	<u>AUD Class</u> AUD	<u>RM Class</u> MYR	<u>SGD Class</u> SGD	<u>USD Class</u> USD
<u>2018</u>				
20.06.2017	0.025	0.025	0.025	0.025
18.09.2017	0.100	0.100	0.100	0.100
12.12.2017	0.500	0.500	0.500	0.500
15.03.2018	0.250	0.250	0.250	0.250
<u>2017</u>				
07.06.2016	0.025	0.025	0.025	0.025
19.09.2016	0.025	0.025	0.025	0.025
19.12.2016	0.025	0.025	0.025	0.025
20.03.2017	0.025	0.025	0.025	0.025

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 year includes an amount of USD1,240,033 (2017: USD79,069) from previous year's realised income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

7 TAXATION

	<u>2018</u> USD	<u>2017</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:

	<u>2018</u> USD	<u>2017</u> USD
Net profit before taxation	8,474,517	5,214,112
Tax at Malaysian statutory rate of 24% (2017: 24%)	2,033,884	1,251,387
Tax effects of:		
Investment income exempted from tax	(2,275,376)	(1,324,291)
Expenses not deductible for tax purposes	21,333	16,680
Restriction on tax deductible expenses for Wholesale Fund	220,159	56,224
Tax expense	-	-

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2018</u> USD	<u>2017</u> USD
Designated at fair value through profit or loss at inception - collective investment scheme	68,466,644	36,966,496
Net gain on financial assets at fair value through profit or loss		
- realised gain/(loss) on sale of investments	245,315	(583,684)
- unrealised gain on changes in fair value	6,009,055	3,825,182
	6,254,370	3,241,498

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

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

(a) Collective investment scheme

(i) Collective investment scheme as at 31 March 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Value Partners High-Dividend Stocks Fund	5,508,177	62,697,314	68,466,644	95.58
Total collective investment scheme	<u>5,508,177</u>	<u>62,697,314</u>	<u>68,466,644</u>	<u>95.58</u>
Accumulated unrealised gain on collective investment scheme		<u>5,769,330</u>		
Total collective investment scheme		<u><u>68,466,644</u></u>		

(ii) Collective investment scheme as at 31 March 2017 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Value Partners High-Dividend Stocks Fund	3,388,313	37,206,221	36,966,496	94.45
Total collective investment scheme	<u>3,388,313</u>	<u>37,206,221</u>	<u>36,966,496</u>	<u>94.45</u>
Accumulated unrealised loss on collective investment scheme		<u>(239,725)</u>		
Total collective investment scheme		<u><u>36,966,496</u></u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

9 CASH AND CASH EQUIVALENTS

	<u>2018</u> USD	<u>2017</u> USD
Cash and bank balances	1,989,668	2,000,940
Deposits with a licensed financial institution	207,216	240,518
	<u>2,196,884</u>	<u>2,241,458</u>

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

	<u>2018</u>	<u>2017</u>
Deposits with a licensed financial institution	<u>3.25</u>	<u>3.07</u>

Deposits with a licensed financial institutions of the Fund has an average maturity of 2 days (2017: 3 day).

10 NUMBER OF UNITS IN CIRCULATION

(a) AUD CLASS UNITS IN CIRCULATION

	<u>2018</u> No. of units	<u>2017</u> No. of units
At the beginning of the financial year	21,054,000	30,562,000
Creation of units arising from applications during the financial year	29,092,085	4,048,722
Creation of units arising from distributions during the financial year	344,915	50,278
Cancellation of units during the financial year	<u>(8,025,000)</u>	<u>(13,607,000)</u>
At the end of the financial year	<u>42,466,000</u>	<u>21,054,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) RM CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year	148,412,000	213,350,000
Creation of units arising from applications during the financial year	82,453,782	19,462,183
Creation of units arising from distributions during the financial year	1,568,747	340,763
Cancellation of units during the financial year	<u>(61,412,529)</u>	<u>(84,740,946)</u>
At the end of the financial year	<u><u>171,022,000</u></u>	<u><u>148,412,000</u></u>

(c) SGD CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year	14,817,000	28,663,000
Creation of units arising from applications during the financial year	20,262,715	1,321,303
Creation of units arising from distributions during the financial year	261,799	39,746
Cancellation of units during the financial year	<u>(7,470,514)</u>	<u>(15,207,049)</u>
At the end of the financial year	<u><u>27,871,000</u></u>	<u><u>14,817,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(d) USD CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year	13,706,000	17,800,000
Creation of units arising from applications during the financial year	27,854,818	7,161,930
Creation of units arising from distributions during the financial year	372,223	33,884
Cancellation of units during the financial year	<u>(14,023,041)</u>	<u>(11,289,814)</u>
At the end of the financial year	<u>27,910,000</u>	<u>13,706,000</u>

11 TRANSACTIONS WITH BROKERS

(i) Details of transaction with broker for the financial year ended 31 March 2018 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Value Partners Limited	<u>30,444,222</u>	<u>100.00</u>

(ii) Details of transaction with broker for the financial year ended 31 March 2017 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Value Partners Limited	<u>15,680,095</u>	<u>100.00</u>

The transaction with Value Partners Limited is in relation to purchase Value Partners High-Dividend Stocks Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

12 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

The units held by the Manager as at the end of the financial year are as follows:

	<u>2018</u>		<u>2017</u>	
<u>The Manager:</u>	No. of units	USD	No. of units	USD
Affin Hwang Asset Management Bhd (The units are held for booking purpose)				
- AUD class	3,184	1,384	3,028	1,131
- RM class	2,206	329	3,322	430
- SGD class	2,805	1,175	3,276	1,179
- USD class	2,892	1,661	2,942	1,450
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)**

13 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2018</u> %	<u>2017</u> %
MER	<u>0.61</u>	<u>0.69</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD55,403,577 (2017: USD44,073,652).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2018</u> %	<u>2017</u> %
PTR (times)	<u>0.27</u>	<u>0.18</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = USD27,845,000 (2017: USD3,975,000)
total disposal for the financial year = USD2,353,907 (2017: USD12,288,779)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

15 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by this committee that are used to make strategic decisions.

The Committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within each portfolio. These returns consist of interest and gains on the appreciation in the value of investments in and is derived from a collective investment scheme in the Cayman Islands.

The Fund has a diversified unitholder population. However, as at 31 March 2018, there was 1 unitholder (2017: 1 unitholder) who held more than 10% of the Fund's NAV. The unitholder's holding was 27.20% (2017: 31.30%).

There were no changes in the reportable segments during the financial year.

The internal reporting provided to the committee for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

AFFIN HWANG WORLD SERIES - DIVIDEND VALUE FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 17 to 45 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 31 March 2018 and of its financial performance, net assets attributable to unitholders and cash flows for the financial year ended 31 March 2018 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
18 May 2018

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series – Dividend Value Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 45.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund are responsible for the other information. The other information comprises Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – DIVIDEND VALUE FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – DIVIDEND VALUE
FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unitholder of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
18 May 2018

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